

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

OMB No. 1545-0047

2021

Open to Public Inspection

- ▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

A For the **2021** calendar year, or tax year beginning **OCT 1, 2021** and ending **SEP 30, 2022**

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return/terminated
☐ Amended return
☐ Application pending

C Name of organization

Carlos G. Otis Health Care Center

Doing business as **Grace Cottage Hospital**

Number and street (or P.O. box if mail is not delivered to street address)

P.O. BOX 216

Room/suite

City or town, state or province, country, and ZIP or foreign postal code

Townshend, VT 05353-0216

F Name and address of principal officer: **Douglas DiVello**

same as C above

D Employer identification number

03-0177161

E Telephone number

802-365-7920

G Gross receipts \$

31,235,552.

H(a) Is this a group return

for subordinates? ☐ Yes ☒ No

H(b) Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. See instructions

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ **www.gracecottage.org**

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: **1949**

M State of legal domicile: **VT**

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: Provision of health care services.
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	3	Number of voting members of the governing body (Part VI, line 1a) 12
	4	Number of independent voting members of the governing body (Part VI, line 1b) 11
	5	Total number of individuals employed in calendar year 2021 (Part V, line 2a) 260
	6	Total number of volunteers (estimate if necessary) 17
	7a	Total unrelated business revenue from Part VIII, column (C), line 12 0.
7b	Net unrelated business taxable income from Form 990-T, Part I, line 11 0.	
Revenue	8	Contributions and grants (Part VIII, line 1h) 5,099,253.
	9	Program service revenue (Part VIII, line 2g) 25,743,094.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d) 1,518.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 0.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 30,843,865.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3) 0.
	14	Benefits paid to or for members (Part IX, column (A), line 4) 0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 18,120,099.
	16a	Professional fundraising fees (Part IX, column (A), line 11e) 0.
	b	Total fundraising expenses (Part IX, column (D), line 25) 325,059.
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 9,253,500.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 27,373,599.
19	Revenue less expenses. Subtract line 18 from line 12 3,470,266.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16) 26,686,067.
	21	Total liabilities (Part X, line 26) 10,342,054.
	22	Net assets or fund balances. Subtract line 21 from line 20 16,344,013.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date
	Stephen A. Brown, CFO Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name Connor Smart	Preparer's signature <i>Connor Smart</i>
	Firm's name ▶ Baker Newman & Noyes	Firm's EIN ▶ 01-0494526
	Firm's address ▶ P.O. Box 507 Portland, ME 04112	Phone no. (207) 879-2100

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☒ **X****1** Briefly describe the organization's mission:

Carlos G. Otis Health Care Center (d/b/a Grace Cottage Hospital) is organized for charitable, benevolent, scientific, and educational purposes. In particular, it supports and encourages the development of comprehensive, integrated health care related services, advancing the

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 28,533,693. including grants of \$ 0.) (Revenue \$ 29,588,353.)
 Grace Cottage Hospital is a critical access hospital offering 24-hour emergency services, inpatient acute and skilled care, 24-hour diagnostic imaging services, a full-service laboratory, a pharmacy, a variety of outpatient medical care services, including physical therapy, occupational therapy, and speech therapy, and a rural health clinic providing primary care and psychiatric services.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe on Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **28,533,693.**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	1 X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	4 X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i>	5	X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	9	X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>	10 X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	11a X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	11b	X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>	11c	X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	11d X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	11e	X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	11f X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	12a	X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	12b X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>	14b	X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>	16	X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I. See instructions</i>	17	X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18	X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>	20a X	
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b X	
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	X

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? If "Yes," complete Schedule L, Part IV		X
b A family member of any individual described in line 28a? If "Yes," complete Schedule L, Part IV		X
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19?	X	

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 260		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. See instructions.			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation on Schedule O	3b		
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b If "Yes," enter the name of the foreign country ▶			
See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7 Organizations that may receive deductible contributions under section 170(c).			
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8 Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8		
9 Sponsoring organizations maintaining donor advised funds.			
a Did the sponsoring organization make any taxable distributions under section 4966?	9a		
b Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?	9b		
10 Section 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on Part VIII, line 12	10a		
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11 Section 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	11a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a		
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a Is the organization licensed to issue qualified health plans in more than one state?	13a		
Note: See the instructions for additional information the organization must report on Schedule O.			
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c Enter the amount of reserves on hand	13c		
14a Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation on Schedule O	14b		
15 Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	15		X
If "Yes," see the instructions and file Form 4720, Schedule N.			
16 Is the organization an educational institution subject to the section 4968 excise tax on net investment income?	16		X
If "Yes," complete Form 4720, Schedule O.			
17 Section 501(c)(21) organizations. Did the trust, any disqualified person, or mine operator engage in any activities that would result in the imposition of an excise tax under section 4951, 4952 or 4953?	17		
If "Yes," complete Form 6069.			

Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

☒**Section A. Governing Body and Management**

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year 1a 12		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
b Enter the number of voting members included on line 1a, above, who are independent 1b 11		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? 2		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person? 3		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? 4		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets? 5		X
6 Did the organization have members or stockholders? 6		X
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? 7a		X
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? 7b		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body? 8a	X	
b Each committee with authority to act on behalf of the governing body? 8b	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O 9		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates? 10a		X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? 10b		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? 11a	X	
b Describe on Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13 12a	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12b	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done 12c	X	
13 Did the organization have a written whistleblower policy? 13	X	
14 Did the organization have a written document retention and destruction policy? 14	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official 15a	X	
b Other officers or key employees of the organization 15b	X	
If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? 16a		X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? 16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **None**

18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request ☐ Other (explain on Schedule O)

19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records **Stephen A. Brown - (802) 365-3601**
185 Grafton Road, Townshend, VT 05353

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

☒**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Douglas DiVello CEO	40.00 1.00			X				341,455.	0.	48,446.
(2) George Terwilliger, M.D. Physician	40.00 0.00					X		279,104.	0.	33,807.
(3) Timothy P. Shafer, M.D. Trustee/Physician	43.00 0.00	X						272,009.	0.	33,257.
(4) Stephen A. Brown CFO	44.90 1.00			X				265,352.	0.	32,951.
(5) Ewa Arnold, M.D. Physician	39.08 0.00					X		230,257.	0.	46,174.
(6) Kimona Alin, M.D. Physician	32.00 0.00					X		213,666.	0.	46,560.
(7) Jeremy Morrison, M.D. Physician	34.50 0.00					X		187,255.	0.	31,587.
(8) Crystal Mansfield Sr. Director Rehab Service	40.39 0.00					X		170,127.	0.	43,453.
(9) John Clark Trustee (end 10/2021)	1.00 0.00	X						0.	0.	0.
(10) Al Claussen III Trustee (start 7/2021)	1.00 0.00	X						0.	0.	0.
(11) Lucas Farrell Trustee	1.00 0.00	X						0.	0.	0.
(12) Thomas Kalchthaler Trustee	1.00 0.00	X						0.	0.	0.
(13) Karren Meyer Trustee	1.00 0.00	X						0.	0.	0.
(14) Terry Pollio Trustee	1.00 0.00	X						0.	0.	0.
(15) Rachel Stettler Trustee (start 10/2021)	1.00 1.00	X						0.	0.	0.
(16) Sarah Vangel Trustee (start 11/2021)	1.00 0.00	X						0.	0.	0.
(17) Martha Dale VP (end 11/21); Pres. (start 1/22)	1.00 1.00	X		X				0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Kevin Meyer President (end 11/2021)	1.00 0.00	X		X				0.	0.	0.
(19) Edward Druke Sec. (end 11/21); VP (start 1/22)	1.00 0.00	X		X				0.	0.	0.
(20) Barry Emerson Treasurer	1.00 0.00	X		X				0.	0.	0.
(21) Sheila Scheuerman Secretary	1.00 1.00	X		X				0.	0.	0.
1b Subtotal								1,959,225.	0.	316,235.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								1,959,225.	0.	316,235.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization

37

- 3** Did the organization list any **former** officer, director, trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4	X	
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Cerner Corporation P.O. Box 412702, Kansas City, MO 64141	Hardware/Software Support	434,179.
PC Connection Sales Corporation P.O. Box 536472, Pittsburgh, PA 15253	Hardware/Software Support	182,935.
Trusted Health, Inc. P.O. Box 7775, San Francisco, CA 94120	Staffing Services	179,379.
Virtual Radiologic Corporation 25983 Network Place, Chicago, IL 60673	Radiologist Services	152,148.
MAS Medical Staffing 156 Harvey Road, Londonderry, NH 03053	Staffing Services	140,374.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization

9

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII ☐

				(A)	(B)	(C)	(D)
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	1,413,306.				
	e Government grants (contributions)	1e	232,853.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f			1,646,159.			
Program Service Revenue	2 a Patient Service Revenue	Business Code	621400	24,553,799.	24,553,799.		
	b Pharmacy Revenue		446110	4,589,526.	4,589,526.		
	c GCF Administration/Other		621400	350,260.	350,260.		
	d Cafeteria Revenue		722514	86,427.	86,427.		
	e Other Health Services		621990	8,341.	8,341.		
	f All other program service revenue						
	g Total. Add lines 2a-2f			29,588,353.			
	3 Investment income (including dividends, interest, and other similar amounts)			1,040.			1,040.
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
Other Revenue	6 a Gross rents	6a	(i) Real (ii) Personal				
	b Less: rental expenses	6b					
	c Rental income or (loss)	6c					
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities (ii) Other				
	b Less: cost or other basis and sales expenses	7b		7,178.			
	c Gain or (loss)	7c		-7,178.			
	d Net gain or (loss)			-7,178.			-7,178.
	8 a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	8a					
	b Less: direct expenses	8b					
	c Net income or (loss) from fundraising events						
	9 a Gross income from gaming activities. See Part IV, line 19	9a					
	b Less: direct expenses	9b					
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a	Business Code					
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d						
	12 Total revenue. See instructions			31,228,374.	29,588,353.	0.	-6,138.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	995,294.	266,976.	728,318.	
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	14,365,939.	13,147,662.	994,346.	223,931.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	338,460.	313,669.	21,516.	3,275.
9 Other employee benefits	3,191,782.	2,837,448.	298,349.	55,985.
10 Payroll taxes	1,045,440.	922,337.	113,722.	9,381.
11 Fees for services (nonemployees):				
a Management				
b Legal	12,446.		12,446.	
c Accounting	93,022.		93,022.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	2,037,144.	2,032,560.	4,584.	
12 Advertising and promotion	81,166.	168.	78,685.	2,313.
13 Office expenses	1,168,934.	1,002,711.	145,988.	20,235.
14 Information technology	830,528.	740,577.	86,966.	2,985.
15 Royalties				
16 Occupancy	278,015.	270,490.	7,525.	
17 Travel	113,846.	97,715.	10,242.	5,889.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	13,153.	13,153.		
20 Interest	67,327.	66,867.	460.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	903,847.	903,847.		
23 Insurance	323,288.	273,788.	48,435.	1,065.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a Medical Supplies/Lab	3,531,792.	3,531,792.		
b Medicaid Tax	851,820.	851,820.		
c Provision for Bad Debt	777,211.	777,211.		
d Equipment Repair	340,119.	340,119.		
e All other expenses	142,783.	142,783.		
25 Total functional expenses. Add lines 1 through 24e	31,503,356.	28,533,693.	2,644,604.	325,059.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

Part X Balance SheetCheck if Schedule O contains a response or note to any line in this Part X ☐

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	8,831,584.	1	2,056,981.
	2 Savings and temporary cash investments	26,043.	2	28,787.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	2,428,276.	4	2,578,059.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	953,554.	8	876,250.
	9 Prepaid expenses and deferred charges	197,550.	9	234,558.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 16,853,449.		
	b Less: accumulated depreciation	10b 12,562,967.	10c	4,290,482.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	10,227,957.	15	8,695,001.
16 Total assets. Add lines 1 through 15 (must equal line 33)	26,686,067.	16	18,760,118.	
Liabilities	17 Accounts payable and accrued expenses	2,119,706.	17	2,183,287.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	190,000.	20	0.
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties	5,672,813.	23	1,990,103.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	2,359,535.	25	0.
	26 Total liabilities. Add lines 17 through 25	10,342,054.	26	4,173,390.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	12,617,752.	27	10,748,936.
	28 Net assets with donor restrictions	3,726,261.	28	3,837,792.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	16,344,013.	32	14,586,728.
	33 Total liabilities and net assets/fund balances	26,686,067.	33	18,760,118.

Form 990 (2021)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	31,228,374.
2	Total expenses (must equal Part IX, column (A), line 25)	2	31,503,356.
3	Revenue less expenses. Subtract line 2 from line 1	3	-274,982.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	16,344,013.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	-1,482,303.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	14,586,728.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☒

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____	X	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits _____	X	

Form 990 (2021)

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

Carlos G. Otis Health Care Center

Employer identification number

03-0177161

Part I Reason for Public Charity Status. (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990).)
- 3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions, subject to certain exceptions; and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box on lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
- f Enter the number of supported organizations _____
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f))	14	%
15 Public support percentage from 2020 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2021. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support test - 2020. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
17a 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		
b 10% -facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		

Schedule A (Form 990) 2021

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2021 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2020 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2021 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2020 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2021. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2020. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer lines 3b and 3c below.		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.		
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI .		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990).		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? If "Yes," complete Part I of Schedule L (Form 990).		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI .		
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI .		
c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI .		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer line 10b below.		
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?		
11a		
b A family member of a person described on line 11a above?		
11b		
c A 35% controlled entity of a person described on line 11a or 11b above? If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI .		
11c		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
1		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
1		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
2		
3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.		
3		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a	<input type="checkbox"/>	The organization satisfied the Activities Test. Complete line 2 below.
b	<input type="checkbox"/>	The organization is the parent of each of its supported organizations. Complete line 3 below.
c	<input type="checkbox"/>	The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).
2 Activities Test. Answer lines 2a and 2b below.		
a		Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.
2a		
b		Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.
2b		
3 Parent of Supported Organizations. Answer lines 3a and 3b below.		
a		Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? If "Yes" or "No" provide details in Part VI .
3a		
b		Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.
3b		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

- 1** ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). **See instructions.**
All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3.	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d.	3		
4 Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by 0.035.	6		
7 Recoveries of prior-year distributions	7		
8 Minimum Asset Amount (add line 7 to line 6)	8		

Section C - Distributable Amount			Current Year
1 Adjusted net income for prior year (from Section A, line 8, column A)	1		
2 Enter 0.85 of line 1.	2		
3 Minimum asset amount for prior year (from Section B, line 8, column A)	3		
4 Enter greater of line 2 or line 3.	4		
5 Income tax imposed in prior year	5		
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6		
7 <input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).			

Schedule A (Form 990) 2021

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions		Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	1	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	3	
4 Amounts paid to acquire exempt-use assets	4	
5 Qualified set-aside amounts (prior IRS approval required - <i>provide details in Part VI</i>)	5	
6 Other distributions (<i>describe in Part VI</i>). See instructions.	6	
7 Total annual distributions. Add lines 1 through 6.	7	
8 Distributions to attentive supported organizations to which the organization is responsive (<i>provide details in Part VI</i>). See instructions.	8	
9 Distributable amount for 2021 from Section C, line 6	9	
10 Line 8 amount divided by line 9 amount	10	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2021	(iii) Distributable Amount for 2021
1 Distributable amount for 2021 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2021 (reasonable cause required - <i>explain in Part VI</i>). See instructions.			
3 Excess distributions carryover, if any, to 2021			
a From 2016			
b From 2017			
c From 2018			
d From 2019			
e From 2020			
f Total of lines 3a through 3e			
g Applied to underdistributions of prior years			
h Applied to 2021 distributable amount			
i Carryover from 2016 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from line 3f.			
4 Distributions for 2021 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2021 distributable amount			
c Remainder. Subtract lines 4a and 4b from line 4.			
5 Remaining underdistributions for years prior to 2021, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
6 Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, <i>explain in Part VI</i> . See instructions.			
7 Excess distributions carryover to 2022. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2017			
b Excess from 2018			
c Excess from 2019			
d Excess from 2020			
e Excess from 2021			

Schedule A (Form 990) 2021

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

Schedule B
(Form 990)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**▶ Attach to Form 990 or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Name of the organization

Carlos G. Otis Health Care Center

Employer identification number

03-0177161

Organization type (check one):

Filers of:**Section:**

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000; or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

Name of organization	Employer identification number
Carlos G. Otis Health Care Center	03-0177161

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>		\$ <u>1,413,306.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>2</u>		\$ <u>112,760.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>3</u>		\$ <u>100,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
<u>4</u>		\$ <u>20,093.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Employer identification number

03-0177161

Part II

[illegible]

Name of organization	Employer identification number
Carlos G. Otis Health Care Center	03-0177161

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ► \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

SCHEDULE C
(Form 990)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2021

**Open to Public
Inspection**

If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (See separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (See separate instructions), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

Carlos G. Otis Health Care Center

Employer identification number

03-0177161

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political campaign activity expenditures ▶ \$

3 Volunteer hours for political campaign activities

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No

4a Was a correction made? ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527
exempt function activities ▶ \$

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL,
line 17b ▶ \$

4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990) 2021

LHA

132041 11-03-21

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grassroots lobbying)														
b Total lobbying expenditures to influence a legislative body (direct lobbying)														
c Total lobbying expenditures (add lines 1a and 1b)														
d Other exempt purpose expenditures														
e Total exempt purpose expenditures (add lines 1c and 1d)														
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f)														
h Subtract line 1g from line 1a. If zero or less, enter -0-														
i Subtract line 1f from line 1c. If zero or less, enter -0-														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?														

☐ Yes ☐ No
4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Schedule C (Form 990) 2021

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a Volunteers?		X	
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c Media advertisements?		X	
d Mailings to members, legislators, or the public?		X	
e Publications, or published or broadcast statements?		X	
f Grants to other organizations for lobbying purposes?	X		3,417.
g Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i Other activities?		X	
j Total. Add lines 1c through 1i			3,417.
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carry over lobbying and political campaign activity expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures. See instructions	5	

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (See instructions); and Part II-B, line 1. Also, complete this part for any additional information.

Part II-B, Line 1, Lobbying Activities:

Carlos G. Otis Health Care Center is a member of the Vermont

Association of Hospitals and Health Systems and the American Hospital

Association. A portion of the dues paid to these organizations is

available for lobbying expenditures on behalf of Carlos G. Otis Health

Care Center in furtherance of its exempt purpose. Carlos G. Otis

Part IV Supplemental Information *(continued)*

HealthCare Center does not directly perform any lobbying activities.

AHA, portion of dues available for lobbying: \$682

VAHHS, portion of dues available for lobbying: \$2,735

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization

Carlos G. Otis Health Care Center

Employer identification number

03-0177161

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (for example, recreation or education)	<input type="checkbox"/> Preservation of a historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶

4 Number of states where property subject to conservation easement is located ▶

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1

(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1

b Assets included in Form 990, Part X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2021

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

a ☐ Public exhibition

d ☐ Loan or exchange program

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII ☐

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	3,726,261.	3,897,999.	3,421,086.	3,228,802.	3,319,792.
b Contributions	1,211,226.				
c Net investment earnings, gains, and losses	-448,720.	-171,738.	476,913.	192,284.	-90,990.
d Grants or scholarships					
e Other expenditures for facilities and programs	650,976.				
f Administrative expenses					
g End of year balance	3,837,791.	3,726,261.	3,897,999.	3,421,086.	3,228,802.

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ☒ 25.4200 %

b Permanent endowment ☒ 68.9200 %

c Term endowment ☒ 5.6600 %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) Unrelated organizations

(ii) Related organizations

	Yes	No
3a(i)		X
3a(ii)	X	
3b	X	

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? ☐

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		30,549.		30,549.
b Buildings		8,673,023.	7,228,319.	1,444,704.
c Leasehold improvements				
d Equipment		7,592,764.	5,274,091.	2,318,673.
e Other		557,113.	60,557.	496,556.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				4,290,482.

Schedule D (Form 990) 2021

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) Beneficial Interest in Net Assets of GCF	8,687,474.
(2) Deposits with Trustee	7,527.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	8,695,001.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII... ☒

Schedule D (Form 990) 2021

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	28,968,860.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	28,968,860.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	2,259,514.
c	Add lines 4a and 4b	4c	2,259,514.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	31,228,374.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	30,726,145.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	30,726,145.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	777,211.
c	Add lines 4a and 4b	4c	777,211.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	31,503,356.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part V, line 4:

Carlos G. Otis Health Care Center and the Grace Cottage Foundation uses their endowment funds to assist in the provision of health care.

As of the end of the year covered by this Form 990, the endowment funds are to be used to support the following purposes:

1.) Board Designated or Quasi-Endowments: to support and fund capital acquisitions and facility improvements.

2.) Time Restricted Endowments: to support and fund operations and health care services.

Part XIII Supplemental Information (continued)

3.) Perpetual Endowments: to be maintained to generate income which is to be expended on operations and health care services. The permanent endowments also include the Hospital's beneficial interest in a perpetual trust.

Part X, Line 2:

OHCC and the Foundation are tax-exempt corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and had been classified as an organization that is not a private foundation under Section 509(a)(3). Management evaluated the Organization's tax positions and concluded the Organization has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements.

Part XI, Line 4b - Other Adjustments:

Provision for Bad Debt	777,211.
Change in Beneficial Interest in Net Assets of Grace	
Cottage Foundation	1,482,303.
Total to Schedule D, Part XI, Line 4b	2,259,514.

Part XII, Line 4b - Other Adjustments:

Provision for Bad Debt	777,211.
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SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

- **Complete if the organization answered "Yes" on Form 990, Part IV, question 20.**
► **Attach to Form 990.**
► **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization

Carlos G. Otis Health Care Center

Employer identification number

03-0177161

Part I Financial Assistance and Certain Other Community Benefits at Cost

	Yes	No
1a Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	<input checked="" type="checkbox"/>	
b If "Yes," was it a written policy?	<input checked="" type="checkbox"/>	
2 If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. <input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities <input type="checkbox"/> Generally tailored to individual hospital facilities		
3 Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing <i>free</i> care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input checked="" type="checkbox"/> Other <u>250</u> %	<input checked="" type="checkbox"/>	
b Did the organization use FPG as a factor in determining eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input checked="" type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	<input checked="" type="checkbox"/>	
c If the organization used factors other than FPG in determining eligibility, describe in Part VI the criteria used for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.		
4 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	<input checked="" type="checkbox"/>	
5a Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	<input checked="" type="checkbox"/>	
c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		<input checked="" type="checkbox"/>
6a Did the organization prepare a community benefit report during the tax year?	<input checked="" type="checkbox"/>	
b If "Yes," did the organization make it available to the public?	<input checked="" type="checkbox"/>	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
Financial Assistance and Means-Tested Government Programs						
a Financial Assistance at cost (from Worksheet 1)			241,846.	0.	241,846.	.79%
b Medicaid (from Worksheet 3, column a)			5,127,255.	1,926,543.	3,200,712.	10.42%
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d Total. Financial Assistance and Means-Tested Government Programs			5,369,101.	1,926,543.	3,442,558.	11.21%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			228,823.	112,760.	116,063.	.38%
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			8,307.	0.	8,307.	.03%
j Total. Other Benefits			237,130.	112,760.	124,370.	.41%
k Total. Add lines 7d and 7j			5,606,231.	2,039,303.	3,566,928.	11.62%

Part V Facility Information (continued)**Section B. Facility Policies and Practices**

(complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or letter of facility reporting group Grace Cottage Hospital

Line number of hospital facility, or line numbers of hospital

facilities in a facility reporting group (from Part V, Section A): 1

	Yes	No
Community Health Needs Assessment		
1 Was the hospital facility first licensed, registered, or similarly recognized by a state as a hospital facility in the current tax year or the immediately preceding tax year?	1	X
2 Was the hospital facility acquired or placed into service as a tax-exempt hospital in the current tax year or the immediately preceding tax year? If "Yes," provide details of the acquisition in Section C	2	X
3 During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 12	3	X
If "Yes," indicate what the CHNA report describes (check all that apply):		
a <input checked="" type="checkbox"/> A definition of the community served by the hospital facility		
b <input checked="" type="checkbox"/> Demographics of the community		
c <input checked="" type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d <input checked="" type="checkbox"/> How data was obtained		
e <input checked="" type="checkbox"/> The significant health needs of the community		
f <input checked="" type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g <input checked="" type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet the community health needs		
h <input checked="" type="checkbox"/> The process for consulting with persons representing the community's interests		
i <input checked="" type="checkbox"/> The impact of any actions taken to address the significant health needs identified in the hospital facility's prior CHNA(s)		
j <input type="checkbox"/> Other (describe in Section C)		
4 Indicate the tax year the hospital facility last conducted a CHNA: <u>20 20</u>		
5 In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Section C how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	5	X
6a Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Section C	6a	X
b Was the hospital facility's CHNA conducted with one or more organizations other than hospital facilities? If "Yes," list the other organizations in Section C	6b	X
7 Did the hospital facility make its CHNA report widely available to the public?	7	X
If "Yes," indicate how the CHNA report was made widely available (check all that apply):		
a <input checked="" type="checkbox"/> Hospital facility's website (list url): <u>See Part V, Section C</u>		
b <input checked="" type="checkbox"/> Other website (list url): <u>See Part V, Section C</u>		
c <input checked="" type="checkbox"/> Made a paper copy available for public inspection without charge at the hospital facility		
d <input type="checkbox"/> Other (describe in Section C)		
8 Did the hospital facility adopt an implementation strategy to meet the significant community health needs identified through its most recently conducted CHNA? If "No," skip to line 11	8	X
9 Indicate the tax year the hospital facility last adopted an implementation strategy: <u>20 21</u>		
10 Is the hospital facility's most recently adopted implementation strategy posted on a website?	10	X
a If "Yes," (list url): <u>See Part V, Section C</u>		
b If "No," is the hospital facility's most recently adopted implementation strategy attached to this return?	10b	X
11 Describe in Section C how the hospital facility is addressing the significant needs identified in its most recently conducted CHNA and any such needs that are not being addressed together with the reasons why such needs are not being addressed.		
12a Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	12a	X
b If "Yes" to line 12a, did the organization file Form 4720 to report the section 4959 excise tax?	12b	
c If "Yes" to line 12b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$		

Part V Facility Information (continued)**Financial Assistance Policy (FAP)**Name of hospital facility or letter of facility reporting group Grace Cottage Hospital

	Yes	No
Did the hospital facility have in place during the tax year a written financial assistance policy that:		
13 Explained eligibility criteria for financial assistance, and whether such assistance included free or discounted care?	13 X	
If "Yes," indicate the eligibility criteria explained in the FAP:		
a <input checked="" type="checkbox"/> Federal poverty guidelines (FPG), with FPG family income limit for eligibility for free care of <u>250</u> % and FPG family income limit for eligibility for discounted care of <u>350</u> %		
b <input checked="" type="checkbox"/> Income level other than FPG (describe in Section C)		
c <input checked="" type="checkbox"/> Asset level		
d <input type="checkbox"/> Medical indigency		
e <input checked="" type="checkbox"/> Insurance status		
f <input checked="" type="checkbox"/> Underinsurance status		
g <input checked="" type="checkbox"/> Residency		
h <input type="checkbox"/> Other (describe in Section C)		
14 Explained the basis for calculating amounts charged to patients?	14 X	
15 Explained the method for applying for financial assistance?	15 X	
If "Yes," indicate how the hospital facility's FAP or FAP application form (including accompanying instructions) explained the method for applying for financial assistance (check all that apply):		
a <input checked="" type="checkbox"/> Described the information the hospital facility may require an individual to provide as part of his or her application		
b <input checked="" type="checkbox"/> Described the supporting documentation the hospital facility may require an individual to submit as part of his or her application		
c <input checked="" type="checkbox"/> Provided the contact information of hospital facility staff who can provide an individual with information about the FAP and FAP application process		
d <input type="checkbox"/> Provided the contact information of nonprofit organizations or government agencies that may be sources of assistance with FAP applications		
e <input type="checkbox"/> Other (describe in Section C)		
16 Was widely publicized within the community served by the hospital facility?	16 X	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a <input checked="" type="checkbox"/> The FAP was widely available on a website (list url): <u>See Part V, Section C</u>		
b <input checked="" type="checkbox"/> The FAP application form was widely available on a website (list url): <u>See Part V, Section C</u>		
c <input checked="" type="checkbox"/> A plain language summary of the FAP was widely available on a website (list url): <u>See Part V, Section C</u>		
d <input checked="" type="checkbox"/> The FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
e <input checked="" type="checkbox"/> The FAP application form was available upon request and without charge (in public locations in the hospital facility and by mail)		
f <input checked="" type="checkbox"/> A plain language summary of the FAP was available upon request and without charge (in public locations in the hospital facility and by mail)		
g <input checked="" type="checkbox"/> Individuals were notified about the FAP by being offered a paper copy of the plain language summary of the FAP, by receiving a conspicuous written notice about the FAP on their billing statements, and via conspicuous public displays or other measures reasonably calculated to attract patients' attention		
h <input checked="" type="checkbox"/> Notified members of the community who are most likely to require financial assistance about availability of the FAP		
i <input checked="" type="checkbox"/> The FAP, FAP application form, and plain language summary of the FAP were translated into the primary language(s) spoken by Limited English Proficiency (LEP) populations		
j <input type="checkbox"/> Other (describe in Section C)		

Schedule H (Form 990) 2021

Part V Facility Information (continued)**Billing and Collections**Name of hospital facility or letter of facility reporting group Grace Cottage Hospital

	Yes	No	
17 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained all of the actions the hospital facility or other authorized party may take upon nonpayment?	17	X	
18 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP:			
a <input type="checkbox"/> Reporting to credit agency(ies)			
b <input type="checkbox"/> Selling an individual's debt to another party			
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d <input type="checkbox"/> Actions that require a legal or judicial process			
e <input type="checkbox"/> Other similar actions (describe in Section C)			
f <input checked="" type="checkbox"/> None of these actions or other similar actions were permitted			
19 Did the hospital facility or other authorized party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	19		X
If "Yes," check all actions in which the hospital facility or a third party engaged:			
a <input type="checkbox"/> Reporting to credit agency(ies)			
b <input type="checkbox"/> Selling an individual's debt to another party			
c <input type="checkbox"/> Deferring, denying, or requiring a payment before providing medically necessary care due to nonpayment of a previous bill for care covered under the hospital facility's FAP			
d <input type="checkbox"/> Actions that require a legal or judicial process			
e <input type="checkbox"/> Other similar actions (describe in Section C)			
20 Indicate which efforts the hospital facility or other authorized party made before initiating any of the actions listed (whether or not checked) in line 19 (check all that apply):			
a <input type="checkbox"/> Provided a written notice about upcoming ECAs (Extraordinary Collection Action) and a plain language summary of the FAP at least 30 days before initiating those ECAs (if not, describe in Section C)			
b <input checked="" type="checkbox"/> Made a reasonable effort to orally notify individuals about the FAP and FAP application process (if not, describe in Section C)			
c <input checked="" type="checkbox"/> Processed incomplete and complete FAP applications (if not, describe in Section C)			
d <input type="checkbox"/> Made presumptive eligibility determinations (if not, describe in Section C)			
e <input checked="" type="checkbox"/> Other (describe in Section C)			
f <input type="checkbox"/> None of these efforts were made			

Policy Relating to Emergency Medical Care

21 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that required the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	21	X	
If "No," indicate why:			
a <input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions			
b <input type="checkbox"/> The hospital facility's policy was not in writing			
c <input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Section C)			
d <input type="checkbox"/> Other (describe in Section C)			

Schedule H (Form 990) 2021

Part V Facility Information (continued)**Charges to Individuals Eligible for Assistance Under the FAP (FAP-Eligible Individuals)**Name of hospital facility or letter of facility reporting group Grace Cottage Hospital**22** Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.

- a** ☐ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service during a prior 12-month period
- b** ☒ The hospital facility used a look-back method based on claims allowed by Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- c** ☐ The hospital facility used a look-back method based on claims allowed by Medicaid, either alone or in combination with Medicare fee-for-service and all private health insurers that pay claims to the hospital facility during a prior 12-month period
- d** ☐ The hospital facility used a prospective Medicare or Medicaid method

23 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?

If "Yes," explain in Section C.

24 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?

If "Yes," explain in Section C.

	Yes	No
23		X
24		X

Schedule H (Form 990) 2021

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Grace Cottage Hospital:

Part V, Section B, Line 5: As required by Vermont statute and Treasury Regulation 501(r), Grace Cottage Hospital conducts a Community Health Needs Assessment (CHNA) every three years. Our most recent CHNA was done collaboratively in 2021 with Brattleboro Memorial Hospital (BMH) and the Brattleboro Retreat. These three healthcare organizations focused on involving as many stakeholders and community members as possible in the data collection process, which took place from January to June 2021. Secondary data was collected from multiple sources including: U.S. Centers for Disease Control and Prevention, U.S. Department of Health & Human Services, U.S. Census, National Institute of Health, Feeding America, Vermont Department of Health, Vermont Department of Labor, Vermont Department of Education, Vermont Department of Transportation, Vermont Foodbank, Vermont Town and County Data Pages, and the Windham Regional Commission. The secondary data was benchmarked against state and national trends, where possible. Primary data was obtained through a consumer survey and a secondary survey of representatives of medically underserved populations. The consumer survey was distributed in both paper copy as well as online. In total, 2,194 surveys were collected for Windham County. The secondary survey was held to collect qualitative data on at-risk populations. The following medically underserved populations were represented in the secondary survey:

- Elderly/Senior Population
- HIV+ Individuals
- Homeless Population
- Refugees & Migrants

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

- LGBTQ+ (Lesbian, Gay, Bisexual, Transgender, Queer, and/or

Questioning Individuals)

- Racial and Ethnic Minority Populations

- Terminally ill individuals

- Low-income individuals

The three hospitals set up a steering committee made up of individuals from the State of Vermont Department of Health, Brattleboro Memorial Hospital, Grace Cottage Hospital, and The Brattleboro Retreat.

Additionally, the participating organizations engaged a wide range of stakeholders through the surveys, including health care providers, human service organizations, and other nonprofit organizations.

Grace Cottage identified the following as High Priority Significant Health Needs in our service area: Mental Health Issues (Anxiety, Depression, Social Isolation, Stress), Substance Abuse, and Nutritional Fitness/Diabetes.

The 2022 (tax year 2021) Community Health Needs Assessment was adopted by the Grace Cottage Board of Trustees on July 16, 2021, and the Implementation Plan was approved by the Board on November 19, 2021. An updated Implementation Plan is available for public viewing at: <https://gracecottage.org/about-us/our-hospital/community-health-needs-assessment/>

Grace Cottage Hospital:

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

Part V, Section B, Line 6a: The 2021 Community Health Needs Assessment was conducted with Brattleboro Memorial Hospital and The Brattleboro Retreat.

Grace Cottage Hospital:

Part V, Section B, Line 11: Please refer to the 2021 CHNA Implementation Plan for information on how the Hospital is addressing the significant needs identified in its most recently conducted CHNA. Additionally, the 2022 Annual Update to the Implementation Plan may be found on our website at:

<https://gracecottage.org/wp-content/uploads/2023/03/CHNA-Update-2022.pdf>

While a significant health need in our service area, Grace Cottage Hospital is not addressing dental issues as we do not provide dental services. The Level 2 & 3 Priorities identified in the 2021 CHNA - Healthy Aging, High Blood Pressure, Cancer (especially colon cancer), Arthritis, Basic Needs, and Physical Fitness - are addressed with all patients on an on-going and personal basis.

Grace Cottage Hospital:

Part V, Section B, Line 13b: Generally, Grace Cottage Hospital uses the Federal Poverty Guidelines to determine eligibility for financial assistance. However, applications may be reviewed on a case-by-case basis and at times financial assistance granted even if a patient is above the

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

prescribed FPG level or qualifies only for a lesser reduction in fees if there is a prevailing circumstance that justifies additional financial support.

Grace Cottage Hospital:

Part V, Section B, Line 20e: Grace Cottage Hospital (GCH) located in rural, mountainous Townshend, VT provides services to patients, whether a community member, second homeowner, or vacationer, through our Critical Access Hospital, Rural Health Clinic, and Outpatient Rehabilitation. Taking pride in the community we serve, we make every attempt possible to notify patients of the Reduced Fee Program and Formal Payment Plan options at GCH that will allow patients to receive care without undue hardship. The following are some of the steps currently in place, to notify patients of the available options:

- All registration areas of the Critical Access Hospital, Rural Health Clinic, and Outpatient Rehabilitation Services have visible signs on display notifying patients of our Reduced Fee Program.

- All registration staff upon verification of no insurance, limited insurance coverage with high patient responsibility portions, or communication from patient indicating difficulty with paying bill, will offer a Reduced Fee Application, Policy, and business card for our Resource Advocate, identifying the many services she provides to patients free of charge and her contact information. Staff will also offer to schedule an appointment for the patient with Resource Advocate for

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

assistance in completing the Reduced Fee Application, troubleshooting issues with insurance, and/or applying for insurance coverage whether it is primary or secondary.

- Patients receive at least 5 billing statements over the course of 120-day time frame (patients in a formal payment plan or whom have a billing issue arise may increase the number of statements to be received or increase the number of days to complete the 5 billing statement cycle). Every statement has a message that notifies them of the Reduced Fee Program and steps to take to get started.

- Once a patient balance is past due (>30 days from date of first patient billing) Patient Accounts Specialists contact patients via phone in an attempt to alert patient to past due balance, offer a formal payment plan if balance unable to be paid in full. If/when patient indicates difficulty in paying their bill, Patient Accounts Specialists will notify patient of the Reduced Fee Program and offer to mail the application and policy to them. Patient Accounts Specialists note patients account with a briefing of the phone call. If a patient balance is aged >120 days from the date of the first billing statement and a potential to be sent to a third-party collections agency the account is reviewed, if there is a note from patient accounts indicating a Reduced Fee application and policy have been mailed to the patient within the last 45 days a hold will be placed on transferring the balance to the third-party collections agency. After 45-60 days if no Reduced Fee application or communication from the patient the balance will be transferred to the third-party collections agency at that time.

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

- All Reduced Fee applications are processed with required documentation to determine eligibility in accordance with our Sliding Fee Scale based on Federal Poverty Guidelines. If missing required documents, a written request is sent to the patient and application held while awaiting documents. All processed applications are filed, written notice of eligibility is mailed to the patient, eligibility is noted on patient's account and adjustments are made manually after insurance processing and prior to a billing statement being mailed to the patient, and all applications are documented on a yearly spreadsheet showing household members, date of application (eligibility begin date), expiration date, whether they are eligible, percentage they are eligible for, and comments for case by case applications that identifies parameters for this approval/denial i.e.: only one date of service.

Schedule H, Part V, Section B, Line 7a, 7b and 10a:

The Hospital's 2021 (tax year 2020) CHNA is available at:

<https://gracecottage.org/pdf/2021-CHNA-Report-9-10-21.pdf>

Additionally, the 2022 Updates to the Hospital's Needs Assessment is available at:

<https://gracecottage.org/wp-content/uploads/2023/03/CHNA-Update-2022.pdf>

The Hospital's 2021 CHNA Implementation Plan is available at:

<https://gracecottage.org/wp-content/uploads/2022/06/>

Part V Facility Information (continued)

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 2, 3j, 5, 6a, 6b, 7d, 11, 13b, 13h, 15e, 16j, 18e, 19e, 20a, 20b, 20c, 20d, 20e, 21c, 21d, 23, and 24. If applicable, provide separate descriptions for each hospital facility in a facility reporting group, designated by facility reporting group letter and hospital facility line number from Part V, Section A ("A, 1," "A, 4," "B, 2," "B, 3," etc.) and name of hospital facility.

2021-CHNA-Implementation-Plan-Final-11-19-21.pdf

The Hospital's 2020 Annual Update to the Implementation Plan is available at:

<https://gracecottage.org/wp-content/uploads/2021/09/>

GCH-CHNA-Report-for-2020_final.pdf

Schedule H, Part V, Section B, Line 16a-16c:

The Hospital's Financial Assistance Policy is available on its website at:

<https://gracecottage.org/wp-content/uploads/2021/01/>

16.0050-REDUCED-FEE-FREE-CARE-POLICY-rev-1-2021.pdf

The Hospital's Financial Assistance Application is available on its website at:

<https://gracecottage.org/wp-content/uploads/2019/08/>

16.0050-REDUCED-FEE-FREE-CARE-APPLICATION.pdf

The Hospital's Plain Language Summary is available on its website at:

<https://gracecottage.org/wp-content/uploads/2022/02/16.0050-REDUCED-FEE-FREE-CARE-PLAIN-LANGUAGE-SUMMARY-updated-2-21-22.pdf>

Part VI Supplemental Information

Provide the following information.

- 1 Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II and Part III, lines 2, 3, 4, 8 and 9b.
- 2 Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B.
- 3 Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part I, Line 3c:

N/A

Part I, Line 6a:

N/A

Part I, Line 7:

The amounts reported for Charity Care and Means-Tested Government Programs were calculated using a cost-to-charge ratio derived from Worksheet 2, Ratio of Patient Care Cost-to-Charges.

Part I, Line 7g:

N/A

Part I, Line 7, Column (f):

The Bad Debt expense included on Form 990, Part IX, Line 25(A), but subtracted for purposes of calculating the percentage in this column is \$ 777,211.

Part VI Supplemental Information (Continuation)

Part II, Community Building Activities:

See previous and subsequent narrative responses.

Part III, Line 2:

The cost of the bad debt expense reported on line 2 was calculated by applying the ratio of patient care cost-to-charges (calculated on Worksheet 2) to the total bad debt expense. The amount of bad debt expense for accounts written off as bad debt is the account balance after all charity care discounts, contractual allowances, and insurance/patient payments have been applied. Any cash collected on accounts previously written off is included as an offset to bad debt expense.

Part III, Line 3:

The amount of bad debt expense (at cost) attributable to patients eligible under our charity care policy reported on line 3 was estimated based on a review of Reduced Fee/Free Care Applications. The number of approved completed applications versus the number of incomplete applications was compared and a ratio applied to the Charity Care balance to estimate this number. It is felt that this estimate should actually be much higher because, though we work hard to educate our patients regarding the charity care policy, including having a Resource Advocate to help patients complete them if they require assistance, many of the applications we distribute to patients are not returned. Knowing our patient population as we do, we believe it is primarily attributable to patients not wanting to share the income information.

Part III, Line 4:

Part VI Supplemental Information (Continuation)

Footnote 1 of the Organization's audited financial statements detail the Organization's significant accounting policies, including the Organization's treatment of accounts receivable and uncollectible amounts.

Part III, Line 8:

Medicare allowable costs reported in the Medicare Cost Report are reported in accordance with CMS Guidelines using the cost-to-charge ratio methodology.

As a Critical Access Hospital (CAH), the Organization is eligible for reimbursement of up to 101% of allowable Medicare costs and services. However, in previous years, the Organization was subject to a 2% Medicare Sequestration, which resulted in a Medicare Shortfall reported on its Form 990, Schedule H, Part III, Section B. The 2% Medicare Sequestration was temporarily suspended in May, 2020 as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and reinstated in 2022. For its year ending September 30, 2022, the Hospital was able to claim the full 101% Medicare revenue rate for the first six months, 100% for the next three months, and only 99% for the last three months.

Part III, Line 9b:

Grace Cottage Hospital does not pursue collections actions against patients for amounts qualified for financial assistance. If a patient is unable to pay a balance in full after reduced fees and financial assistance have been applied, the patient is required to setup an acceptable payment plan per the collections policy. Any patient making acceptable monthly payments on their balance will not be at risk for further collections actions and/or forfeiture of their reduced fee care or

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

financial assistance. However, any balance remaining after that discount that goes unpaid as agreed upon will follow the collections actions outlined in the Hospital's collection policy. Failure to resolve the balance in full or any missed payments will result in forfeiture of reduced fees and/or financial assistance, and the patient's account will be placed with a collections agency for further action. Additionally, the patient will not be eligible for reduced fees or financial assistance until a substantial effort is put forth to rectify the outstanding balance.

Part VI, Line 2:

Grace Cottage Hospital is such a small hospital in a rural, relatively sparsely populated area that our community leaders, patients, and members of the public are quick to inform our administrators and our medical staff about how Grace Cottage serves the healthcare needs of the public. Grace Cottage's small size ensures that we can be responsive to community requests made via our website, our monthly e-newsletter from the CEO to 2700+ community members, e-mails to members of our staff, or informal face-to-face meetings with people in the communities we serve.

Part VI, Line 3:

Although we are Vermont's smallest Critical Access Hospital, Grace Cottage Hospital believes that quality health care should be available to all; and that we all have a responsibility to help others in need regardless of their ability to pay. Posters and brochures detailing the availability of help with billing, public programs, and charity care are displayed in high traffic areas throughout the Hospital, rural health clinic and pharmacy, as well as listed on the Hospital's website. The staff reaches out to

Part VI Supplemental Information (Continuation)

patients in a variety of ways to ensure that they are aware that help is available. During fiscal year 2022, the Hospital continued to employ a Patient Resource Advocate to help uninsured and underinsured patients locate and procure services for which they may qualify. The Patient Resource Advocate's services are free of charge for community members (those 65 and older were also encouraged to contact Senior Solutions, formerly Southeastern Vermont Council on Aging). The Hospital's Patient Resource Advocate helps many people with a wide variety of resource issues, helping to fill out necessary forms and making connections for patients with other federal, state and local resources. This employee is an expert in filling out reduced fee applications, finding sources for reduced-cost or free prescription medications, and locating other avenues of support.

Part VI, Line 4:

Grace Cottage Hospital plays a vital role in healthcare for this rural, mountainous community. Its federal designation as a critical access hospital recognizes its importance in providing health care to an otherwise medically underserved community. The Hospital's emergency department is especially vital to members of the community, who would otherwise have to travel many miles on winding, mountainous highways to reach emergency medical care at another hospital. Grace Cottage Hospital is located in Windham County, in southeastern Vermont. According to the U.S. Census Bureau, Windham County has an estimated total of 43,714 residents. Grace Cottage Hospital's patient base is approximately 26,000 residents, mostly from 21 surrounding towns. The median household income of Windham County, Vermont, is \$50,917 (U.S. Census Bureau "Quick Facts," updated 2016). Income statistics for the total population served by Grace

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

Cottage Hospital are not available because Grace Cottage only requires income information from patients requesting reduced fees or free care.

Part VI, Line 5:

Grace Cottage Hospital is a Critical Access Hospital located in rural, mountainous Townshend, Vermont. The Hospital is served by a Board of Trustees consisting of local citizens active in community businesses and organizations. Only one of the twelve trustees, a physician, is a hospital employee. All trustees reside or work in the Hospital's service area and bring a wealth of community input to the Hospital's strategic planning process. The Hospital extends medical staff privileges to all qualified physicians in the community.

Grace Cottage Hospital applies any surplus funds towards improving its ability to provide quality patient care and being an integral part of assuring the health and well-being of the communities we serve. For example, in view of the fact that Mental Health was identified as a High Priority Significant Need in our Community Health Needs Assessment, Grace Cottage continues to employ both a full-time psychiatric nurse practitioner and a full-time licensed clinical social worker. Both professionals are embedded in the family health practice, where they are key players in the healthcare team.

Despite its small size, Grace Cottage Hospital is committed to giving back to the community to the greatest extent possible. Grace Cottage's Community Health Team has been able to provide free consultations, open to everyone in the community served by Grace Cottage. Members of the Community Health Team include a Diabetes Educator and an RN Care

Part VI Supplemental Information (Continuation)

Coordinator.

Grace Cottage Hospital is a very active partner in numerous community collaborations and programs, including (but not limited to):

- West River Valley Thrives: supporting and promoting healthy lifestyle choices, with an emphasis on the prevention of alcohol, tobacco, and other drug use by young people.

- Townshend Community Hope and Action: promoting a healthy, connected community through area events and education.

- West River Valley Food Group/Vermont Food Bank: organizing the procurement and distribution of food to those in need. A Veggie Van Go truck hosted by Grace Cottage comes from the Vermont Food Bank to Newfane once a month for free food distribution of fresh produce and other healthy food items. No proof of eligibility is required. On average, 200 individuals take the free food home to their families.

- Windham County Consortium on Substance Use (COSU) is a multi-agency collaboration which focuses efforts and education/awareness within communities to address the devastating impacts of heroin, fentanyl and other substances on Windham County. Highlights include: collaborative prevention, harm reduction, treatment and recovery efforts. These efforts are bolstered by a three-year, \$1 million federal Health Resources & Services Administration (HRSA) grant as well as a VT Department of Health Community Action grant through the Centers for Disease Control & Prevention, both awarded to COSU and its fiscal agent, Health Care & Rehabilitation Services of Southeastern Vermont, Inc. (HCRS), starting on September 1st, 2019. COSU ended its collaboration at the completion of the grant cycle in August of 2022. Some of the agencies chose to carry on this important work, and have formed a new consortium called Community

Schedule H (Form 990)

Part VI Supplemental Information (Continuation)

Substance Use Response (COSU); Grace Cottage is a collaborating partner with this consortium.

-Accountable Communities for Health: a network of partners that support measurable improvement in meeting the needs of families and individuals in our community. Focus is developing systems to improve community health and well-being; supporting appropriate use of resources; and improving access to community services.

- Community Wellness: Beginning in March, 2020, Wellness activities were suspended due to the COVID-19 pandemic, and were not resumed until May 2022. Current programs offered include: strong bones exercise classes, beginner Tai Chi, and advanced Tai Chi.

In addition, area non-profit organizations providing health-related and emergency preparedness-related services to the community are provided with meeting and training space at the Hospital. In response to the last Community Health Needs Assessment, the Hospital has worked collaboratively with local schools and organizations to promote healthy, fun activities and provides opportunities that make the most of staying as healthy as possible. Heavily promoted activities included a 5K in the spring and a 17-mile bike ride in the summer.

Grace Cottage Hospital plays a pivotal role in Emergency/Disaster Preparedness in this rural, mountainous area of Windham County, Vermont. The Hospital works collaboratively with:

- the local town volunteer fire and first responder rescue departments;
- the regional ambulance service, Rescue Inc.;
- Windham County Regional Commission - the Local Emergency Planning

Part VI Supplemental Information (Continuation)

Committee covering the towns that Grace Cottage serves;

- the local Citizens Emergency Response Team (CERT);

- the local Radio Amateur Civil Emergency Service (RACES) - West River
Radio Club meets and stores equipment at Grace Cottage Hospital;

- Vermont Association of Hospitals and Health Systems;

- Vermont Department of Health.

Grace Cottage Hospital staff participate in onsite training for disaster
preparedness as well as offsite training with other hospitals.

Part VI, Line 6:

N/A

Part VI, Line 7, List of States Receiving Community Benefit Report:

VT

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

- For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
- ▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**
- ▶ **Attach to Form 990.**
- ▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization

Carlos G. Otis Health Care Center

Employer identification number

03-0177161

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
<input type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax indemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (such as maid, chauffeur, chef)		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?	2	
3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.		
<input type="checkbox"/> Compensation committee		
<input type="checkbox"/> Independent compensation consultant		
<input type="checkbox"/> Form 990 of other organizations		
<input type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a Receive a severance payment or change-of-control payment?	4a	X
b Participate in or receive payment from a supplemental nonqualified retirement plan?	4b	X
c Participate in or receive payment from an equity-based compensation arrangement?	4c	X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a The organization?	5a	X
b Any related organization?	5b	X
If "Yes" on line 5a or 5b, describe in Part III.		
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a The organization?	6a	X
b Any related organization?	6b	X
If "Yes" on line 6a or 6b, describe in Part III.		
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III	7	X
8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	X
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2021

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Douglas DiVello CEO	(i)	260,446.	36,688.	44,321.	8,700.	39,746.	389,901.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) George Terwilliger, M.D. Physician	(i)	277,435.	0.	1,669.	7,820.	25,987.	312,911.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Timothy P. Shafer, M.D. Trustee/Physician	(i)	267,573.	1,707.	2,729.	7,820.	25,437.	305,266.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Stephen A. Brown CFO	(i)	231,748.	300.	33,304.	8,096.	24,855.	298,303.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) Ewa Arnold, M.D. Physician	(i)	227,764.	0.	2,493.	5,878.	40,296.	276,431.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) Kimona Alin, M.D. Physician	(i)	211,997.	0.	1,669.	6,657.	39,903.	260,226.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) Jeremy Morrison, M.D. Physician	(i)	185,903.	100.	1,252.	3,573.	28,014.	218,842.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) Crystal Mansfield Sr. Director Rehab Service	(i)	163,100.	300.	6,727.	3,648.	39,805.	213,580.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Line 7:

Physician contracts provide the opportunity to receive additional payments for productivity above minimum thresholds. For the period reported, three physicians listed in Part VII were under such a contract: Dr. Ewa Arnold, Dr. Jeremy Morrison, and Dr. Timothy Shafer. Of these, one received an incentive compensation payment: Dr. Timothy Shafer \$1,507.

The CEO's contract provides an opportunity to earn annual incentive compensation of up to a maximum of 15% of annual base salary upon attainment of mutually agreed upon goals. This incentive compensation opportunity may be modified from time to time at the discretion of the Board of Directors. For the period reported, Douglas DiVello received a payment of \$36,588.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

Carlos G. Otis Health Care Center

Employer identification number
03-0177161

Form 990, Part III, Line 1, Description of Organization Mission:

health and well-being of the community, through all relevant means.

Form 990, Part VI, Section B, line 11b:

A draft of the Form 990 is initially reviewed in detail by Carlos G. Otis Health Care Center's key finance employees. Thereafter, the final draft is provided to the full Board for review prior to filing with the IRS.

Form 990, Part VI, Section B, Line 12c:

A copy of the conflict of interest policy is distributed annually to the Board of Trustees and each Trustee signs to confirm that they have thoroughly read, understand, and agree to comply with the conflict of interest policy.

Form 990, Part VI, Section B, Line 15:

CEO's Compensation: The CEO's compensation and benefits are reviewed, adjusted and voted on by the full Board annually. The Board used external market compensation data to determine the CEO's initial compensation when hired and annually uses such data to compare OHCC's CEO compensation with that of other hospital executives in the Northeast region. The CEO is excused from Board discussion and voting on issues surrounding CEO compensation and benefits.

Compensation of other hospital employees: The CEO reviews the salaries of employees annually and determines compensation based on performance and salary ranges, using regional salary range data for comparison.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990) 2021

132211 11-11-21

Name of the organization

Carlos G. Otis Health Care Center

Employer identification number

03-0177161

Form 990, Part VI, Section C, Line 19:

Upon request, Carlos G. Otis Health Care Center, Inc. makes its governing documents, conflict of interest policy, and financial statements available to the public.

Form 990, Part VII, Section A:

The compensation reported for Dr. Timothy Shafer was for his services as a full-time physician. He was not compensated for his services as a member of OHCC's Board of Trustees.

Form 990, Part XI, line 9, Changes in Net Assets:

Change in Beneficial Interest in Net Assets of GCF -1,482,303.

Form 990, Part XI, Line 2c:

The Finance and Audit Committee oversees the audit process for the Carlos G. Otis Health Care Center, Inc. and Grace Cottage Foundation, Inc. The audit process for the financial statements did not change from the prior year. Independent accountants performed the audit for both fiscal years.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.**

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for instructions and the latest information.**

OMB No. 1545-0047

2021

**Open to Public
Inspection**

Name of the organization

Carlos G. Otis Health Care Center

Employer identification number

03-0177161

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
Grace Cottage Foundation, Inc. - 03-0343282 P.O. Box 1 Townshend, VT 05353	Solicit contributions for the funding of health care services by OHCC	Vermont	501(c)(3)	Line 12a, I	Carlos G. Otis Health Care Center	X	

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2021

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

[illegible]

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

[illegible]

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)	X	
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)	X	
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)	X	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)		X
2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.		

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Grace Cottage Foundation, Inc.	Q	350,260.	Actual per books
(2) Grace Cottage Foundation, Inc.	C	1,413,306.	Actual per books
(3) Grace Cottage Foundation, Inc.	E	5,523,858.	Actual per books
(4)			
(5)			
(6)			

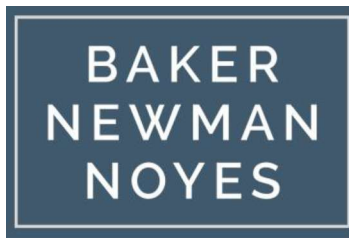
Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) <small>Are all partners sec. 501(c)(3) orgs.?</small>		(f) Share of total income	(g) Share of end-of-year assets	(h) <small>Dispropor- tionate allocations?</small>		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) <small>General or managing partner?</small>		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Provide additional information for responses to questions on Schedule R. See instructions.

Electronic Filing PDF Attachment



Carlos G. Otis Health Care Center, Inc. and Subsidiary

**Consolidated Financial Statements
and Other Financial Information**

*Years Ended September 30, 2022 and 2021
With Independent Auditors' Report*

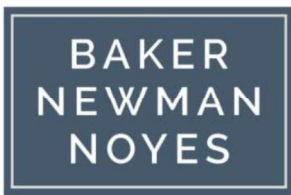
CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

Consolidated Financial Statements and Other Financial Information

Years Ended September 30, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Carlos G. Otis Health Care Center, Inc. and Subsidiary

Opinion

We have audited the consolidated financial statements of Carlos G. Otis Health Care Center, Inc. and Subsidiary (the Organization), which comprise the consolidated balance sheets as of September 30, 2022 and 2021, the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2022 and 2021, and the results of its operations, changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Baku Newman & Noyes LLC

Manchester, New Hampshire
March 1, 2023

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY**CONSOLIDATED BALANCE SHEETS**

September 30, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 2,085,768	\$ 8,857,627
Accounts receivable	2,339,388	2,397,743
Estimated third-party settlements receivable	238,671	—
Inventories	876,250	953,554
Prepaid expenses and other current assets	<u>234,558</u>	<u>228,083</u>
Total current assets	5,774,635	12,437,007
Property and equipment, net	4,290,482	4,021,103
Assets whose use is limited or restricted:		
Restricted cash and cash equivalents	995,719	720,388
Investments	6,261,387	7,601,856
Contributions receivable from charitable remainder trusts	29,864	36,302
Beneficial interest in perpetual trust	1,576,152	2,018,311
Deposits with trustee	<u>7,527</u>	<u>58,180</u>
Total assets whose use is limited or restricted	8,870,649	10,435,037
	<hr/>	<hr/>
Total assets	<u>\$18,935,766</u>	<u>\$26,893,147</u>

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
Current liabilities:		
Accounts payable	\$ 328,432	\$ 349,383
Accrued compensated absences	923,895	892,253
Accrued expenses	926,579	884,980
Estimated third-party settlements payable	—	2,359,535
Current portion of charitable gift annuities liability	23,872	23,292
Current portion of accelerated Medicare payments	572,671	3,958,532
Current portion of long-term debt and capital lease obligations	<u>399,338</u>	<u>555,423</u>
Total current liabilities	3,174,787	9,023,398
Charitable gift annuities liability, less current portion	156,157	176,878
Long-term debt and capital lease obligations, less current portion	<u>1,018,094</u>	<u>1,348,858</u>
Total liabilities	4,349,038	10,549,134
Net assets:		
Without donor restrictions	10,748,936	12,617,752
With donor restrictions	<u>3,837,792</u>	<u>3,726,261</u>
Total net assets	<u>14,586,728</u>	<u>16,344,013</u>
Total liabilities and net assets	<u>\$18,935,766</u>	<u>\$26,893,147</u>

See accompanying notes.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY**CONSOLIDATED STATEMENTS OF OPERATIONS
AND CHANGES IN NET ASSETS**

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Revenue without donor restrictions and other support:		
Patient service revenue	\$23,776,588	\$20,583,564
Other revenue	4,969,727	4,795,130
Net assets released from restrictions for operations	<u>262,989</u>	<u>934,407</u>
Total revenue without donor restrictions and other support	29,009,304	26,313,101
Expenses:		
Salaries and benefits	19,936,915	18,120,099
Supplies and other	9,017,474	7,047,713
State provider taxes	851,820	607,935
Depreciation and amortization	903,847	798,977
Interest	<u>67,327</u>	<u>86,529</u>
Total expenses	<u>30,777,383</u>	<u>26,661,253</u>
Loss from operations	(1,768,079)	(348,152)
Nonoperating (losses) gains:		
Investment (loss) return, net	(1,160,459)	892,667
Contributions and program support	674,365	1,104,910
Other nonoperating losses	(2,630)	(26,062)
Forgiveness of Paycheck Protection Program loan	<u>—</u>	<u>2,973,589</u>
Nonoperating (losses) gains, net	<u>(488,724)</u>	<u>4,945,104</u>
(Deficiency) excess of revenue, (losses) gains and other support over expenses	(2,256,803)	4,596,952

Continued next page.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY**CONSOLIDATED STATEMENTS OF OPERATIONS
AND CHANGES IN NET ASSETS (CONTINUED)**

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
(Deficiency) excess of revenue, (losses) gains and other support over expenses	\$ (2,256,803)	\$ 4,596,952
Net assets released from restrictions for capital purchases	<u>387,987</u>	<u>162,684</u>
Change in net assets without donor restrictions	(1,868,816)	4,759,636
Net assets with donor restrictions:		
Contributions	1,211,104	660,257
Net assets released from restrictions for operations	(262,989)	(934,407)
Net assets released from restrictions for capital purchases	(387,987)	(162,684)
Net change in charitable remainder trusts	(6,438)	3,558
Change in beneficial interest in perpetual trust	<u>(442,159)</u>	<u>261,538</u>
Change in net assets with donor restrictions	<u>111,531</u>	<u>(171,738)</u>
Change in net assets	(1,757,285)	4,587,898
Net assets, beginning of year	<u>16,344,013</u>	<u>11,756,115</u>
Net assets, end of year	<u>\$14,586,728</u>	<u>\$16,344,013</u>

See accompanying notes.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,757,285)	\$ 4,587,898
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	903,847	798,977
Net realized and unrealized changes in the fair value of investments	1,257,110	(814,590)
Debt issuance cost amortization	4,341	4,021
Loss (gain) on disposal of equipment	7,178	(600)
Forgiveness of Paycheck Protection Program loan	—	(2,973,589)
Change in charitable remainder trusts	6,438	(3,558)
Change in beneficial interest in perpetual trust	442,159	(261,538)
Restricted contributions	(1,211,104)	(660,257)
Changes in operating assets and liabilities:		
Accounts receivable	58,355	(490,926)
Estimated third-party payor settlements	(2,598,206)	2,292,882
Meaningful use receivable	—	8,500
Inventories	77,304	91,487
Prepaid expenses and other current assets	(6,475)	(30,270)
Accounts payable	(20,951)	(127,001)
Accrued compensated absences	31,642	229,610
Accrued expenses	41,599	83,677
Accelerated Medicare payments	<u>(3,385,861)</u>	<u>(1,877,854)</u>
Net cash (used) provided by operating activities	(6,149,909)	856,869
Cash flows from investing activities:		
Purchases of property and equipment	(1,120,404)	(1,084,536)
Proceeds from sale of property and equipment	—	600
Proceeds from sale and maturities of investments	2,556,262	3,603,864
Purchases of investments	(2,472,903)	(4,234,578)
Deposits with trustee	<u>50,653</u>	<u>71</u>
Net cash used by investing activities	(986,392)	(1,714,579)
Cash flows from financing activities:		
Payments on long-term debt and capital lease obligations	(551,190)	(471,620)
Restricted contributions	1,211,104	660,257
Change in charitable gift annuities	<u>(20,141)</u>	<u>162,948</u>
Net cash provided by financing activities	<u>639,773</u>	<u>351,585</u>
Net change in cash, cash equivalents and restricted cash	(6,496,528)	(506,125)
Cash, cash equivalents and restricted cash at beginning of year	<u>9,578,015</u>	<u>10,084,140</u>
Cash, cash equivalents and restricted cash at end of year	\$ <u>3,081,487</u>	\$ <u>9,578,015</u>

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ <u>62,986</u>	\$ <u>82,508</u>
Noncash investing and financing activities:		
Equipment financed by capital lease obligations	\$ <u>60,000</u>	\$ <u>671,427</u>
Reconciliation of the statements of cash flows to the balance sheets:		
Cash and cash equivalents	\$ 2,085,768	\$ 8,857,627
Restricted cash and cash equivalents (assets whose use is limited or restricted)	<u>995,719</u>	<u>720,388</u>
Total cash, cash equivalents and restricted cash	\$ <u>3,081,487</u>	\$ <u>9,578,015</u>

See accompanying notes.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

1. **Description of Organization and Summary of Significant Accounting Policies**

Organization

Carlos G. Otis Health Care Center, Inc. (OHCC) is a not-for-profit organization located in Townshend, Vermont consisting of Grace Cottage Hospital (a Critical Access Hospital), Messenger Valley Pharmacy, and Grace Cottage Family Health (a Rural Health Clinic). The accompanying consolidated financial statements include the accounts of all these entities.

OHCC is the sole corporate member of Grace Cottage Foundation (the Foundation), a not-for-profit corporation, established to solicit contributions from the general public solely for the funding of health care services by OHCC.

The accounting policies that affect the more significant elements of the consolidated financial statements are summarized below:

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of OHCC and its subsidiary organization, the Foundation (together the Organization). All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on an accrual basis of accounting.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets With Donor Restrictions

Gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), restricted net assets are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations as either net assets released from restrictions for operations (for noncapital-related items) or net assets released from restrictions for capital purchases (for capital-related items). Some net assets with donor restrictions have been restricted by donors to be maintained by the Organization in perpetuity.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Cash and Cash Equivalents

Cash and cash equivalents include all demand deposit accounts, investments with original maturities of three months or less when purchased and money market funds, excluding assets whose use is limited or restricted. Restricted cash and cash equivalents are limited as to use for long-term purposes by donor-imposed restrictions.

Accounts Receivable

Patient accounts receivable for which the unconditional right to payment exists are receivables if the right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. Accounts receivable at September 30, 2022 and 2021 reflect the fact that any estimated uncollectible amounts are generally considered implicit price concessions that are a direct reduction to accounts receivable rather than allowance for doubtful accounts. At September 30, 2022 and 2021, estimated implicit price concessions of \$702,877 and \$686,211, respectively, have been recorded as reductions to accounts receivable balances to enable the Organization to record revenues and accounts receivable at the estimated amounts expected to be collected.

Patient accounts receivable at September 30, 2022, 2021 and 2020 totaled \$2,339,388, \$2,397,743 and \$1,906,817, respectively.

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost (determined by the first-in, first-out method) or net realizable value.

Deposits With Trustee

Deposits with trustee under revenue bond agreements are recorded at fair value and are comprised of short-term investments and United States government obligations.

Investments and Investment (Loss) Income

Investments are measured at fair value in the accompanying consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, and interest and dividends) is included in the (deficiency) excess of revenue, (losses) gains and other support over expenses as the Organization has elected to reflect changes in the fair value of investments and assets whose use is limited, including both increases and decreases in value whether realized or unrealized, in nonoperating gains or losses unless the income or loss is restricted by donor or law, in which case it is reported as an increase or decrease in net assets with donor restrictions.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Endowment, Investment and Spending Policies

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

The goal of the investments is to support the Organization's future capital expenditures and other major program needs, and to generally increase the financial strength of the Organization. In addition to occasional capital expenditures, board designated funds are invested in a prudent manner with regard to preserving principal while providing reasonable returns.

The goal of the endowment funds is to provide a source of financial support to the Organization's patient care activities. The Organization appropriates the earnings from the endowment funds to offset the costs of patient care activities according to the intent of the donor. The endowment funds are invested in a prudent manner with regard to preserving principal while providing reasonable returns.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objective within prudent risk constraints.

The Organization has adopted a formal spending policy on its endowment fund of 4% per fiscal year of the average fair value of the endowment fund for the trailing twelve quarters.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under indenture agreements, quasi-endowment funds, designated assets set aside by the Board of Trustees over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments, including certain cash and cash equivalents.

Property and Equipment

Property and equipment is stated at cost or, if donated, at fair value at the date of donation, less accumulated depreciation. The Organization's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the life of the related assets. When assets are retired or disposed of, the assets and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the accompanying consolidated statements of operations.

Depreciation is computed using the straight-line method in a manner intended to amortize the cost of the assets over their estimated useful lives.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Deferred Financing Costs

Costs incurred in obtaining long-term financing are being amortized to interest expense using the straight-line method, which approximates the effective interest method, over the repayment period of the related debt obligation. Debt issuance costs are presented as a reduction of long-term debt.

Compensated Absences

The Organization provides and accrues for paid time off for vacation, holiday and sick leave under an earned time system. Hours earned, but not used, are capped and vested with the employee.

Performance Indicator

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenues and expenses. Peripheral transactions are reported as nonoperating gains or losses.

The consolidated statements of operations include (deficiency) excess of revenue, (losses) gains and other support over expenses. Changes in net assets without donor restrictions which are excluded from (deficiency) excess of revenue, (losses) gains and other support over expenses, consistent with industry practice, include net assets released from restrictions for capital purchases.

Patient Service Revenue

Revenues generally relate to contracts with patients in which the Organization's performance obligations are to provide health care services to patients. Revenues are recorded during the period obligations to provide health care services are satisfied. Performance obligations for inpatient services are generally satisfied over a period of days. Performance obligations for outpatient services are generally satisfied over a period of less than one day. The contractual relationships with patients, in most cases, also involve a third-party payor (Medicare, Medicaid, managed care health plans and commercial insurance companies, including plans offered through the health insurance exchanges) and the transaction prices for the services provided are dependent upon the terms provided by Medicare and Medicaid or negotiated with managed care health plans and commercial insurance companies, the third-party payors. The payment arrangements with third-party payors for the services provided to related patients typically specify payments at amounts less than standard charges. Medicare generally pays for inpatient and outpatient services under an allowable cost reimbursement methodology. Services provided to patients having Medicaid coverage are generally paid on a prospectively determined rate per day of hospitalization for inpatient services and under a fee schedule reimbursement methodology for outpatient services. Agreements with commercial insurance carriers, managed care and preferred provider organizations generally provide for payments based upon predetermined rates per diagnosis, per diem rates or discounted fee-for-service rates. Management continually reviews the revenue recognition process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

The collection of outstanding receivables for Medicare, Medicaid, managed care payers, other third-party payors and patients is the Organization's primary source of cash and is critical to its operating performance. The primary collection risks relate to uninsured patient accounts, including patient accounts for which the primary insurance carrier has paid the amounts covered by the applicable agreement, but patient responsibility amounts (deductibles and copayments) remain outstanding. Implicit price concessions relate primarily to amounts due directly from patients. Estimated implicit price concessions are recorded for all uninsured accounts, regardless of the aging of those accounts. Accounts are written off when all reasonable internal and external collection efforts have been performed. The estimates for implicit price concessions are based upon management's assessment of historical write-offs and expected net collections, business and economic conditions, trends in federal, state and private employer health care coverage and other collection indicators. Management relies on the results of detailed reviews of historical write-offs and collections at facilities that represent a majority of hospital revenues and accounts receivable (the "hindsight analysis") as a primary source of information in estimating the collectability of accounts receivable. Management performs the hindsight analysis regularly, utilizing rolling twelve-months' accounts receivable collection and write-off data. Management believes its regular updates to the estimated implicit price concession amounts provide reasonable estimates of revenues and valuations of accounts receivable. These routine, regular changes in estimates have not resulted in material adjustments to the valuations of accounts receivable or period-to-period comparisons of operations.

The Organization receives payment for Medicare and Medicaid inpatient and outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost reports. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in patient service revenue in the year that such amounts become known. For the years ended September 30, 2022 and 2021, patient service revenue in the accompanying consolidated statement of operations (decreased) increased by approximately \$(40,000) and \$53,000, respectively, due to actual settlements and changes in assumptions underlying estimated future third-party settlements.

Retirement Plan

The Organization has a defined contribution 401(k) plan covering substantially all of its employees. Employees who have completed three months of service and have attained age 18 are eligible to participate in the plan. The plan provides for an automatic deferral provision. The Organization may make discretionary matching contributions that are allocated to all employees eligible to participate in the plan, in proportion to their eligible earnings compared to the eligible earnings of the other employees who will also share in the contributions. The Organization's matching contributions to the plan, charged to operations, were approximately \$383,000 and \$348,000 for the years ended September 30, 2022 and 2021, respectively.

Charity Care

OHCC provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Because OHCC does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenue. OHCC determines the costs associated with providing charity care by calculating a ratio of expenses to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. See Note 4.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Income Taxes

OHCC and the Foundation are tax-exempt corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and had been classified as an organization that is not a private foundation under Section 509(a)(3). Management evaluated the Organization's tax positions and concluded the Organization has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements.

Functional Expense Allocation

The costs of providing program services and other activities have been summarized on a functional basis in Note 15. Accordingly, costs have been allocated among program services and supporting services benefited.

Advertising Expense

Advertising costs are expensed as incurred and totaled approximately \$79,000 and \$78,000 in 2022 and 2021, respectively.

Recent Accounting Pronouncement

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 enhances the presentation of disclosure requirements for contributed nonfinancial assets. ASU 2020-07 requires entities to present contributed nonfinancial assets as a separate line item in the statement of operations and disclose the amount of contributed nonfinancial assets recognized within the statement of operations by category that depicts the type of contributed nonfinancial assets, as well as a description of any donor-imposed restrictions associated with the contributed nonfinancial assets and the valuation techniques used to arrive at a fair value measure at initial recognition. ASU 2020-07 was effective for the Organization beginning October 1, 2021. The adoption of this ASU did not have a significant impact on the Organization's consolidated financial statements.

Prospective Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires that lease arrangements longer than twelve months result in an entity recognizing an asset and liability. The pronouncement is effective for the Organization on October 1, 2022. The Organization does not expect the adoption of this ASU to have a material impact on the Organization's consolidated financial statements.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

1. **Description of Organization and Summary of Significant Accounting Policies (Continued)**

Reclassifications

Certain 2021 amounts have been reclassified to permit comparison with the 2022 consolidated financial statements presentation format.

Subsequent Events

Management of the Organization evaluated events occurring between the end of its fiscal year and March 1, 2023, the date the consolidated financial statements were available to be issued.

2. **Risks and Uncertainties**

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. The COVID-19 pandemic has significantly affected employees, patients, systems, communities and business operations, as well as the U.S. economy and financial markets. While some restrictions have been eased across the U.S. and the State of Vermont has lifted limitations on non-emergent procedures, some restrictions remain in place. Consolidated patient volumes and revenues experienced gradual improvement beginning in the latter part of April 2020, and continuing, but at times impacted through fiscal year 2022, however uncertainty still exists as the future is unpredictable. The Organization's pandemic response plan has multiple facets and continues to evolve as the pandemic unfolds. The Organization has taken precautionary steps to enhance its operational and financial flexibility, and react to the risks the COVID-19 pandemic presents in its operations.

Since the declaration of the pandemic, the Organization received approximately \$5.8 million of accelerated Medicare payments (Note 3) as provided for under the *Coronavirus Aid, Relief and Economic Security Act* (CARES Act).

On April 14, 2020, OHCC entered into a promissory note for an unsecured loan in the amount of \$2,973,589 through the Paycheck Protection Program (PPP) loan established by the CARES Act and administered by the U.S. Small Business Administration (SBA). The PPP provided loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loan and accrued interest had original terms that were forgivable after eight weeks as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels. The amount of loan forgiveness would be reduced if the borrower terminated employees or reduced salaries during the eight-week period. Certain modifications to PPP loan terms were signed into law in June 2020 that changed the forgiveness, covered period and forgiveness periods. The PPP loan was made for the purpose of securing funding for salaries and wages of employees that may have otherwise been displaced by the outbreak of COVID-19 and the resulting detrimental impact on OHCC's business.

When the proceeds were received in 2020, OHCC accounted for the PPP loan in accordance with FASB ASC Topic 470 and included the full \$2,973,589 as debt in the consolidated balance sheet as of September 30, 2020. During June 2021, OHCC received notification of forgiveness from the SBA. Upon such notification, OHCC recognized \$2,973,589 as revenue related to the forgiveness in the accompanying 2021 consolidated statements of operations and changes in net assets.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

2. **Risks and Uncertainties (Continued)**

Since the declaration of the pandemic, OHCC received approximately \$4.4 million in general and targeted Provider Relief Fund distributions, as provided for under the CARES Act. Distributions from the Provider Relief Fund are not subject to repayment, provided OHCC is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for healthcare-related expenses or lost revenue attributable to COVID-19. Such payments are accounted for as government grants, and are recognized on a systematic and rational basis as other income once there is reasonable assurance that the applicable terms and conditions required to retain the funds will be met. Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the impact of the pandemic on operating results, OHCC recognized approximately \$2.1 million of the funding in 2020. OHCC recognized approximately \$500,000 of the funding in 2021, which was recorded within other revenue in the consolidated statements of operations for the year ended September 30, 2021. The remaining funding that was received and totaled approximately \$1.8 million was included in estimated third-party settlements payable in the accompanying 2021 balance sheet. During 2022, OHCC returned the approximate \$1.8 million of unused Provider Relief Funds to the Department of Health and Human Services.

3. **Estimated Third-Party Settlements**

OHCC has agreements with third-party payors that provide for payments to OHCC at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

OHCC was granted critical access hospital (CAH) designation on December 1, 2000. Under CAH, OHCC is primarily reimbursed allowable costs for its inpatient and outpatient services provided to Medicare patients.

OHCC is reimbursed for cost reimbursable items at tentative rates, with final settlement determined after submission of annual cost reports by OHCC and audits thereof by the Medicare fiscal intermediary. OHCC's Medicare cost reports have been settled by the Medicare Administrative Contractor (MAC) through September 30, 2019.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per day of hospitalization. The prospectively determined per-diem rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a fee schedule methodology.

The State of Vermont imposes a health care provider tax (State provider taxes) based on the net patient service revenues of the Organization. The amount of tax incurred by the Organization for fiscal 2022 and 2021 was \$851,820 and \$607,935, respectively.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

3. Estimated Third-Party Settlements (Continued)

Blue Cross

Inpatient and outpatient services rendered to Blue Cross subscribers are reimbursed at submitted charges less a discount withholding or through a per diem or fee schedule. The amounts paid to OHCC are not subject to any retroactive adjustments. Revenue from Blue Cross accounted for approximately 9% and 11% of OHCC's patient service revenues for the years ended September 30, 2022 and 2021, respectively.

Physicians Clinics

Physicians clinics represent primary care and other specialty physician services provided to patients at OHCC. The clinics are reimbursed either on a cost reimbursement or fee schedule basis.

Other

The Organization has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates per discharge, discounts from established charges and capitated payments.

Revenues from the Medicare and Medicaid programs accounted for approximately 60% and 63% of OHCC's patient service revenues for the years ended September 30, 2022 and 2021, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. OHCC believes that it is in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs.

Accelerated Medicare Payments

As discussed in Note 2, during fiscal year 2020, OHCC requested accelerated Medicare payments as provided for in the CARES Act, which allows for eligible health care facilities to request up to six months of advance Medicare payments for acute care hospitals, or up to three months of advance Medicare payments for other health care providers. Beginning one year from the date of receipt of the advance payments, 25% of the advances were to be recouped in the first eleven months. An additional 25% of the advances were to be recouped in the next six months, with the entire amount repayable in 29 months. Any outstanding balance after 29 months is repayable at a 4% interest rate. During 2020, OHCC received approximately \$5.8 million from these accelerated Medicare payment requests. At September 30, 2022 and 2021, the current portion due within a year, totaling approximately \$573,000 and \$4.0 million, was recorded under the caption "current portion of accelerated Medicare payments" in the accompanying consolidated balance sheets. Subsequent to year end, the remaining amounts were repaid in full.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2022 and 2021

4. Charity Care

OHCC maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. The following information measures the level of charity care provided during the years ended September 30:

	<u>2022</u>	<u>2021</u>
Charges foregone, based on established rates (Note 1)	<u>\$362,000</u>	<u>\$271,000</u>
Estimated costs incurred to provide charity care	<u>\$242,000</u>	<u>\$184,000</u>
Equivalent percentage of charity care services to all services	<u>0.93%</u>	<u>0.79%</u>

5. Concentration of Credit Risk

Financial instruments which subject the Organization to credit risk consist of cash equivalents, accounts and other receivables and certain investments. The risk with respect to cash equivalents is minimized by the Organization's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk at September 30, 2022. The Organization's investments consist of diversified securities and, while subject to market risk, do not represent any significant concentrations in any sectors.

OHCC grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of gross patient accounts receivable at September 30, 2022 and 2021 was as follows:

	<u>2022</u>	<u>2021</u>
Medicare	51%	52%
Medicaid	10	7
Blue Cross	5	7
Other third-party payors	15	13
Patients	<u>19</u>	<u>21</u>
	<u>100%</u>	<u>100%</u>

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

6. Assets Whose Use is Limited or Restricted

Investments included in assets whose use is limited or restricted at September 30, 2022 and 2021 consist of the following:

	<u>Cost</u> <u>2022</u>	<u>Fair</u> <u>Value</u> <u>2022</u>	<u>Cost</u> <u>2021</u>	<u>Fair</u> <u>Value</u> <u>2021</u>
Cash and cash equivalents	\$ 290,410	\$ 290,410	\$ 195,615	\$ 195,615
Brokered certificates of deposit	—	—	24,800	25,166
Mutual funds	2,436,754	2,198,583	2,437,131	2,838,711
Government and municipal bonds	899,500	817,405	1,065,947	1,086,441
Corporate bonds	936,551	777,591	1,020,817	1,032,185
Common stock	<u>1,831,117</u>	<u>2,177,398</u>	<u>1,496,101</u>	<u>2,423,738</u>
	<u>\$6,394,332</u>	<u>\$6,261,387</u>	<u>\$6,240,411</u>	<u>\$7,601,856</u>

Investment income, net realized gains and the net unrealized (losses) gains on assets whose use is limited or restricted, cash and cash equivalents, and other investments are as follows at September 30:

	<u>2022</u>	<u>2021</u>
Without donor restrictions:		
Investment income	\$ 96,651	\$ 78,077
Net realized gains on sales of securities	237,280	551,769
Net unrealized (losses) gains on investments	<u>(1,494,390)</u>	<u>262,821</u>
	<u>\$ (1,160,459)</u>	<u>\$ 892,667</u>

The endowment includes both endowment funds restricted in perpetuity from expenditure by donors (accounted for in net assets with donor restrictions) and other funds for which the governing board or state regulations require that such funds be treated in a manner similar to endowments. These other funds are accounted for in net assets without donor restrictions. Gains on donor established endowments are, absent donor stipulations, included in net assets with donor restrictions until appropriated for expenditure by the governing board.

The endowment funds, including quasi endowments restricted by the Board, as of September 30, 2022 and 2021 are as follows:

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
2022			
Board-designated endowment funds	\$2,649,594	\$ —	\$2,649,594
Donor-restricted endowment funds:			
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity by donor	—	1,068,719	1,068,719
Accumulated investment gains	<u>254,395</u>	<u>—</u>	<u>254,395</u>
	<u>\$2,903,989</u>	<u>\$1,068,719</u>	<u>\$3,972,708</u>

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

6. Assets Whose Use is Limited or Restricted (Continued)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
2021			
Board-designated endowment funds	\$3,152,104	\$ —	\$3,152,104
Donor-restricted endowment funds:			
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity by donor	—	1,063,118	1,063,118
Accumulated investment gains	<u>422,917</u>	<u>—</u>	<u>422,917</u>
	<u>\$3,575,021</u>	<u>\$1,063,118</u>	<u>\$4,638,139</u>

The changes in the Organization's endowment funds for the years ended September 30, 2022 and 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Endowment funds, September 30, 2020	\$2,947,581	\$1,047,662
Contributions	465,450	15,456
Investment return, net	386,720	—
Amounts released under spending policy	<u>(224,730)</u>	<u>—</u>
Endowment funds, September 30, 2021	3,575,021	1,063,118
Contributions	58,188	5,601
Investment loss, net	(491,890)	—
Amounts released under spending policy	<u>(237,330)</u>	<u>—</u>
Endowment funds, September 30, 2022	<u>\$2,903,989</u>	<u>\$1,068,719</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At September 30, 2022 and 2021, the Organization had no significant underwater endowments.

The Organization is the beneficiary of two remainder trusts. The charitable remainder trusts provide for certain distributions to designated beneficiaries over the trusts' term. At the end of the term, the income and the remaining assets are available for the Organization's use without donor restrictions. Assets held in charitable remainder trusts totaled \$29,864 and \$36,302 as of September 30, 2022 and 2021, respectively. The Organization's interest in charitable remainder trusts is recognized as an asset based on the fair value of the underlying assets.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

6. Assets Whose Use is Limited or Restricted (Continued)

The Organization is the beneficiary of a perpetual trust fund, which is administered by Bank of America. The terms of the perpetual trust require that income or a percentage of income be paid to the Organization in perpetuity. The Organization's interest in the perpetual trust is recognized as an asset based on the fair value of the underlying assets, which approximates the net present value of the future income stream, and totaled \$1,576,152 and \$2,018,311 as of September 30, 2022 and 2021, respectively. Changes in the carrying value of this asset are included in net assets with donor restrictions.

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are subject to the fair value guidance. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

6. Assets Whose Use is Limited or Restricted (Continued)

The following presents the balances of assets whose use is limited or restricted measured at fair value on a recurring basis at September 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2022</u>				
Cash and cash equivalents	\$ 1,294,623	\$ —	\$ —	\$ 1,294,623
Mutual funds:				
Fixed income	969,760	—	—	969,760
Equity	1,187,391	—	—	1,187,391
Real assets	70,329	—	—	70,329
Government and municipal bonds	—	817,405	—	817,405
Corporate bonds	—	777,591	—	777,591
Common stock:				
Materials	62,975	—	—	62,975
Real estate	58,446	—	—	58,446
Industrials	286,277	—	—	286,277
Consumer discretionary	247,752	—	—	247,752
Consumer staples	129,743	—	—	129,743
Energy	108,739	—	—	108,739
Financial institutions	368,455	—	—	368,455
Healthcare	356,970	—	—	356,970
Utilities	104,581	—	—	104,581
Information technology	308,198	—	—	308,198
Telecommunication services	93,435	—	—	93,435
International developed	51,827	—	—	51,827
Beneficial interest in trust	<u>—</u>	<u>—</u>	<u>1,576,152</u>	<u>1,576,152</u>
	<u>\$ 5,699,501</u>	<u>\$ 1,594,996</u>	<u>\$ 1,576,152</u>	<u>\$ 8,870,649</u>

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

6. Assets Whose Use is Limited or Restricted (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2021</u>				
Cash and cash equivalents	\$ 974,757	\$ —	\$ —	\$ 974,757
Brokered certificates of deposit	—	25,166	—	25,166
Mutual funds:				
Fixed income	1,047,630	—	—	1,047,630
Equity	1,735,865	—	—	1,735,865
Real assets	90,945	—	—	90,945
Government and municipal bonds	—	1,086,441	—	1,086,441
Corporate bonds	—	1,032,185	—	1,032,185
Common stock:				
Materials	136,842	—	—	136,842
Real estate	68,798	—	—	68,798
Industrials	298,743	—	—	298,743
Consumer discretionary	281,035	—	—	281,035
Consumer staples	121,119	—	—	121,119
Energy	91,925	—	—	91,925
Financial institutions	468,820	—	—	468,820
Healthcare	318,075	—	—	318,075
Utilities	88,956	—	—	88,956
Information technology	378,825	—	—	378,825
Telecommunication services	170,599	—	—	170,599
Beneficial interest in trust	<u>—</u>	<u>—</u>	<u>2,018,311</u>	<u>2,018,311</u>
	<u>\$6,272,934</u>	<u>\$2,143,792</u>	<u>\$2,018,311</u>	<u>\$10,435,037</u>

Cash and cash equivalents, mutual funds and common stock are based upon quoted prices in active markets for identical assets and are reflected as Level 1.

Brokered certificates of deposit and municipal and corporate bonds were determined based upon market information from less active markets, including broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of transparency, and have been included in Level 2.

The Organization's Level 3 investments consist of a beneficial interest in trust. The Organization's legal interest is in its pro rata portion of the trust and not the trust's underlying assets. The Organization's interest is valued based upon its pro rata ownership of the total trust. As the actual assets are not readily available to the Organization, the asset is considered to be Level 3. There were no significant purchases, issues or transfers into or out of Level 3 for the years ended September 30, 2022 or 2021.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated balance sheets and statements of operations.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2022 and 2021

6. Assets Whose Use is Limited or Restricted (Continued)

Other financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, estimated third-party payor settlements and lines of credit. The fair value of these financial instruments approximates their relative book values as these financial instruments have short-term maturities. The charitable gift annuities liability is reported at estimated fair value based on the life expectancy of the beneficiaries and the present value of expected cash flows using a discount rate at the time of the gift. The fair value of the Organization's long-term obligations is estimated using discounted cash flow analyses, based on the Organization's current incremental borrowing rates for similar types of borrowing arrangements. There was no significant difference in the carrying value and fair value of long-term obligations at September 30, 2022 and 2021.

7. Property and Equipment

Property and equipment consists of the following at September 30:

	<u>2022</u>	<u>2021</u>
Land and land improvements	\$ 365,147	\$ 331,380
Building and building improvements	8,338,425	8,146,709
Fixed equipment	432,173	719,112
Major movable equipment	3,913,782	3,812,790
Minor equipment	126,169	648,119
Vehicles	68,101	68,101
Other equipment	3,120,639	3,179,404
Construction in progress	<u>489,013</u>	<u>122,913</u>
	16,853,449	17,028,528
Less accumulated depreciation	<u>(12,562,967)</u>	<u>(13,007,425)</u>
	<u>\$ 4,290,482</u>	<u>\$ 4,021,103</u>

Depreciation expense for the years ended September 30, 2022 and 2021 amounted to \$903,847 and \$798,977, respectively.

8. Charitable Gift Annuities

The Organization administers various charitable gift annuities. Under these charitable gift annuity agreements, the donor contributes assets to the Organization in exchange for distributions of a fixed amount to the donor or other designated beneficiaries for their remaining lives. The assets contributed are recorded at fair value on the date the agreement is recognized and are available for the Organization's use for various purposes as determined by the donor. On a quarterly basis, the Organization makes distributions to the designated beneficiaries, the liability for which is calculated based on actuarial assumptions. The Organization's liability of \$180,029 and \$200,170 at September 30, 2022 and 2021, respectively, is based on the present value of the estimated future payments, and calculated using applicable discount and mortality rates.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

9. Line of Credit

The Organization has a revolving line of credit with a bank with maximum borrowings as of September 30, 2022 and 2021 of \$1,500,000. There was no outstanding balance on the line of credit at September 30, 2022 and 2021. Interest on the line of credit is assessed at the prime rate with a minimum of 4.00% (6.25% as of September 30, 2022), and this line is secured by investments. The line of credit has a maturity date of March 31, 2023.

10. Long-Term Obligations

Long-term obligations consist of the following at September 30:

	<u>2022</u>	<u>2021</u>
Vermont Educational and Health Buildings Financing Agency (VEHBFA) Hospital Revenue Bonds Series 1997-1, variable interest rate; secured by property and business assets of OHCC and the letter of credit as described below (paid in full in 2022)	\$ —	\$ 190,000
Note payable to United States Department of Agriculture (USDA), with interest fixed at 3.125%; due in monthly installments of \$2,283 through February 2036; secured by substantially all business assets	299,818	317,535
Note payable to a bank, with variable interest rate (6.25% as of September 30, 2022); due in monthly installments of \$18,788 through January 2025; secured by property and business assets	492,541	689,061
Capital lease obligations	<u>625,073</u>	<u>712,026</u>
	1,417,432	1,908,622
Less current portion	(399,338)	(555,423)
Less unamortized debt issuance costs	<u>—</u>	<u>(4,341)</u>
	<u>\$ 1,018,094</u>	<u>\$ 1,348,858</u>

Under the terms of the revenue bond indenture, OHCC was required to maintain certain deposits with a trustee. Such deposits totaled \$7,527 and \$58,180 at September 30, 2022 and 2021, respectively. The revenue bond indenture also placed limits on the incurrence of additional borrowings, and required that OHCC satisfy certain measures of financial performance as long as the bonds were outstanding. OHCC was in compliance with financial covenants for the year ended September 30, 2021. The VEHBFA revenue bonds were paid in full during 2022.

OHCC had a standby letter of credit for \$192,811 which expired on June 20, 2022. The letter of credit was part of the bond agreements and was available to make principal and interest payments on the respective bonds.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

10. Long-Term Obligations (Continued)

The Organization leases equipment under leases which have been capitalized and are included in property and equipment. The assets recorded under the capital leases have a net book value of \$570,954 and \$679,180 at September 30, 2022 and 2021, respectively, with accumulated amortization of \$316,846 and \$278,320, respectively. Annual amortization has been included in depreciation expense. The capital lease obligations have been recorded as a long-term obligation. Future minimum lease payments under the capital lease obligations at September 30, 2022 are as follows:

Total remaining payments	\$ 658,491
Less amounts representing interest	(33,418)
Less current portion of capital lease obligations	<u>(175,179)</u>
Long-term obligations under capital leases	\$ <u>449,894</u>

Maturities for long-term obligations in subsequent fiscal years are as follows:

2023	\$ 399,338
2024	408,039
2025	245,150
2026	141,747
2027	20,708
Thereafter	<u>202,450</u>
	\$ <u>1,417,432</u>

11. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods at September 30:

	<u>2022</u>	<u>2021</u>
Purpose restrictions:		
Capital acquisition and improvement at OHCC	\$ 975,557	\$ 421,030
Time restrictions:		
Contributions receivable from charitable remainder trusts	29,864	36,302
Grant (see note 13)	<u>187,500</u>	<u>187,500</u>
	217,364	223,802
Perpetual in nature:		
Investments to be held in perpetuity, the income from which is expendable to support operations	1,068,719	1,063,118
Beneficial interest in perpetual trust	<u>1,576,152</u>	<u>2,018,311</u>
	<u>2,644,871</u>	<u>3,081,429</u>
	\$ <u>3,837,792</u>	\$ <u>3,726,261</u>

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

12. Patient Service Revenue

An estimated breakdown of patient service revenue by major payor sources is as follows for the years ended September 30:

	<u>2022</u>	<u>2021</u>
Private payor	\$ 6,988,569	\$ 5,006,613
Blue Cross	2,048,123	2,244,656
Medicare	12,627,194	11,633,416
Medicaid	1,773,107	1,512,519
Self-pay	<u>339,595</u>	<u>186,360</u>
	<u>\$23,776,588</u>	<u>\$20,583,564</u>

13. Commitments and Contingencies

Malpractice Insurance

The Organization insures its medical malpractice risks on a claims made basis. The Organization's claims made policy provides specific coverage for potential claims reported by the Organization during the policy term.

At September 30, 2022, there were no known malpractice claims outstanding which, in the opinion of management, will be settled for amounts in excess of insurance coverage. Additionally, there were no known unasserted claims or incidents which might require loss accrual for amounts in excess of insurance coverage. The Organization intends to renew coverage on a claims made basis and anticipates that such coverage will be available.

Litigation

The Organization is involved in litigation arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Organization's financial position, results of operations or cash flows.

Self-Insurance Program

The Organization self-insures a portion of its employee health benefits and estimates and accrues amounts to meet its expected obligations under the program. The plan is administered by an insurance company which will assist in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The Organization provides services to employees covered by the plan. Stop loss insurance coverage is in effect which mitigates the Organization's exposure to loss on an individual and aggregate basis. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2022 and 2021, have been recorded as a liability of approximately \$533,000 and \$492,000, respectively, and are reflected within accrued expenses in the accompanying consolidated balance sheets.

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

September 30, 2022 and 2021

13. Commitments and Contingencies (Continued)**Grant Awards**

During fiscal year 2019, the Organization was awarded a grant totaling \$1,000,000 to be paid over four years. The grant payments are subject to certain satisfactory compliance with prefunding conditions and reporting requirements, as defined within the grant agreement. The grant award is to support general operations of the Organization. During 2022 and 2021, the Organization received and expended \$250,000 related to the grant. The unexpended amount totaling \$187,500 is included in donor restricted net assets at September 30, 2022. No other amounts related to this grant are reflected within the accompanying consolidated financial statements given the contingencies related to the grant payments.

During 2022, the Organization received a conditional promise to give from a donor for an amount totaling between \$4 million and \$5 million. This gift is for the purpose of constructing a new clinic, subject to approval by the Green Mountain Care Board. Payments are to be made as the project unfolds and costs are incurred. As such, this gift will be recognized in increments as each of the conditions (qualifying costs) are incurred. During 2022, the Organization received \$400,000 related to this donation and recognized this amount within donor-restricted contributions in the accompanying 2022 statement of operations and changes in net assets. No other amounts related to this promise to give are reflected within the accompanying consolidated financial statements given the conditions attached to future payments.

14. Volunteer Services (Unaudited)

In 2022 and 2021, total volunteer service hours received by OHCC were approximately 3,200 and 1,500, respectively. The volunteers provide nonspecialized services to OHCC, none of which have been recognized as revenue or expense in the consolidated statements of operations.

15. Functional Expenses

OHCC provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows for the years ended September 30:

	<u>Healthcare</u>	<u>General and Administrative</u>	<u>Fund- raising</u>	<u>Total</u>
<u>2022</u>				
Salaries and benefits	\$17,488,092	\$2,156,251	\$292,572	\$19,936,915
Supplies and other	8,445,856	487,893	83,725	9,017,474
State provider taxes	851,820	—	—	851,820
Depreciation and amortization	903,847	—	—	903,847
Interest	<u>66,867</u>	<u>460</u>	<u>—</u>	<u>67,327</u>
	<u>\$27,756,482</u>	<u>\$2,644,604</u>	<u>\$376,297</u>	<u>\$30,777,383</u>

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022 and 2021

15. Functional Expenses (Continued)

	<u>Healthcare</u>	<u>General and Administrative</u>	<u>Fund- raising</u>	<u>Total</u>
<u>2021</u>				
Salaries and benefits	\$15,905,127	\$1,937,330	\$277,642	\$18,120,099
Supplies and other	6,540,516	445,972	61,225	7,047,713
State provider taxes	607,935	—	—	607,935
Depreciation and amortization	798,977	—	—	798,977
Interest	<u>72,366</u>	<u>14,163</u>	<u>—</u>	<u>86,529</u>
	<u>\$23,924,921</u>	<u>\$2,397,465</u>	<u>\$338,867</u>	<u>\$26,661,253</u>

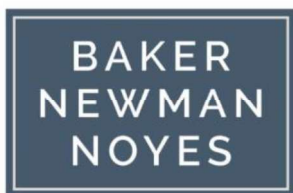
The consolidated financial statements report certain expense categories that are attributable to more than one healthcare service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, such as, depreciation and amortization, and interest, are allocated to a function based on square footage. Supporting activities that are not directly identifiable with one or more healthcare programs are classified as general and administrative. Specifically identifiable costs are assigned to the function which they are identified to.

16. Financial Assets and Liquidity Resources

As of September 30, 2022, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt, consisted of the following:

Cash and cash equivalents	\$2,085,768
Accounts receivable	<u>2,339,388</u>
	<u>\$4,425,156</u>

To manage liquidity, the Organization maintains sufficient cash and cash equivalent balances to support daily operations throughout the year. Cash and cash equivalents include bank deposits, money market funds, and other similar vehicles that generate a return on cash and provide daily liquidity to the Organization. In addition, the Organization has board-designated assets without donor restrictions that can be utilized at the discretion of management to help fund both operational needs and/or capital projects. As of September 30, 2022, the balance in board-designated assets was approximately \$2.9 million.



**INDEPENDENT AUDITORS' REPORT
ON OTHER FINANCIAL INFORMATION**

Board of Trustees
Carlos G. Otis Health Care Center, Inc. and Subsidiary

We have audited the consolidated financial statements of Carlos G. Otis Health Care Center, Inc. and Subsidiary as of and for the years ended September 30, 2022 and 2021, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Newman & Noyes LLC

Manchester, New Hampshire
March 1, 2023

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

CONSOLIDATING BALANCE SHEETS

September 30, 2022 and 2021

ASSETS

	Carlos G. Otis Health Care Center, Inc.		Grace Cottage Foundation		Eliminations		Consolidated	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current assets:								
Cash and cash equivalents	\$ 2,085,768	\$ 8,857,627	\$ —	\$ —	\$ —	\$ —	\$ 2,085,768	\$ 8,857,627
Accounts receivable	2,339,388	2,397,743	—	—	—	—	2,339,388	2,397,743
Estimated third-party settlement receivable	238,671	—	—	—	—	—	238,671	—
Inventories	876,250	953,554	—	—	—	—	876,250	953,554
Prepaid expenses and other current assets	<u>234,558</u>	<u>228,083</u>	<u>4,381</u>	<u>(6,910)</u>	<u>(4,381)</u>	<u>6,910</u>	<u>234,558</u>	<u>228,083</u>
Total current assets	5,774,635	12,437,007	4,381	(6,910)	(4,381)	6,910	5,774,635	12,437,007
Property and equipment, net	4,290,482	4,021,103	—	—	—	—	4,290,482	4,021,103
Assets whose use is limited or restricted:								
Restricted cash and cash equivalents	—	—	995,719	720,388	—	—	995,719	720,388
Investments	—	—	6,261,387	7,601,856	—	—	6,261,387	7,601,856
Contributions receivable from charitable remainder trusts	—	—	29,864	36,302	—	—	29,864	36,302
Beneficial interest in perpetual trust	—	—	1,576,152	2,018,311	—	—	1,576,152	2,018,311
Deposits with trustee	7,527	58,180	—	—	—	—	7,527	58,180
Beneficial interest in net assets of Grace Cottage Foundation	<u>8,687,474</u>	<u>10,169,777</u>	<u>—</u>	<u>—</u>	<u>(8,687,474)</u>	<u>(10,169,777)</u>	<u>—</u>	<u>—</u>
Total assets whose use is limited or restricted	<u>8,695,001</u>	<u>10,227,957</u>	<u>8,863,122</u>	<u>10,376,857</u>	<u>(8,687,474)</u>	<u>(10,169,777)</u>	<u>8,870,649</u>	<u>10,435,037</u>
Total assets	<u>\$18,760,118</u>	<u>\$26,686,067</u>	<u>\$8,867,503</u>	<u>\$10,369,947</u>	<u>\$ (8,691,855)</u>	<u>\$ (10,162,867)</u>	<u>\$18,935,766</u>	<u>\$26,893,147</u>

LIABILITIES AND NET ASSETS

	Carlos G. Otis Health Care Center, Inc.		Grace Cottage Foundation		Eliminations		Consolidated	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current liabilities:								
Accounts payable	\$ 332,813	\$ 342,473	\$ —	\$ —	\$ (4,381)	\$ 6,910	\$ 328,432	\$ 349,383
Accrued compensated absences	923,895	892,253	—	—	—	—	923,895	892,253
Accrued expenses	926,579	884,980	—	—	—	—	926,579	884,980
Estimated third-party settlement payable	—	2,359,535	—	—	—	—	—	2,359,535
Current portion of charitable gift annuities liability	—	—	23,872	23,292	—	—	23,872	23,292
Current portion of accelerated Medicare payments	572,671	3,958,532	—	—	—	—	572,671	3,958,532
Current portion of long-term debt and capital lease obligations	399,338	555,423	—	—	—	—	399,338	555,423
Total current liabilities	3,155,296	8,993,196	23,872	23,292	(4,381)	6,910	3,174,787	9,023,398
Charitable gift annuities liability, less current portion	—	—	156,157	176,878	—	—	156,157	176,878
Long-term debt and capital lease obligations, less current portion	1,018,094	1,348,858	—	—	—	—	1,018,094	1,348,858
Total liabilities	4,173,390	10,342,054	180,029	200,170	(4,381)	6,910	4,349,038	10,549,134
Net assets:								
Without donor restrictions	10,748,936	12,617,752	4,849,682	6,443,516	(4,849,682)	(6,443,516)	10,748,936	12,617,752
With donor restrictions	3,837,792	3,726,261	3,837,792	3,726,261	(3,837,792)	(3,726,261)	3,837,792	3,726,261
Total net assets	14,586,728	16,344,013	8,687,474	10,169,777	(8,687,474)	(10,169,777)	14,586,728	16,344,013
Total liabilities and net assets	\$18,760,118	\$26,686,067	\$8,867,503	\$10,369,947	\$ (8,691,855)	\$ (10,162,867)	\$18,935,766	\$26,893,147

CARLOS G. OTIS HEALTH CARE CENTER, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENTS OF OPERATIONS

Years Ended September 30, 2022 and 2021

	Carlos G. Otis Health Care Center, Inc.		Grace Cottage Foundation		Eliminations		Consolidated	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue without donor restrictions and other support:								
Patient service revenue	\$23,776,588	\$20,583,564	\$	\$	\$	\$	\$23,776,588	\$20,583,564
Other revenue	5,264,865	5,093,781	55,122	33,851	(350,260)	(332,502)	4,969,727	4,795,130
Net assets released from restrictions for operations	—	—	262,989	934,407	—	—	262,989	934,407
Total revenue without donor restrictions	29,041,453	25,677,345	318,111	968,258	(350,260)	(332,502)	29,009,304	26,313,101
and other support								
Expenses:								
Salaries and benefits	19,936,915	18,120,099	—	—	—	—	19,936,915	18,120,099
Supplies and other	8,966,236	7,009,697	51,238	38,016	—	—	9,017,474	7,047,713
State provider taxes	851,820	607,935	—	—	—	—	851,820	607,935
Transfers to parent	—	—	1,413,306	1,445,821	(1,413,306)	(1,445,821)	—	—
Depreciation and amortization	903,847	798,977	—	—	—	—	903,847	798,977
Interest	67,327	86,529	—	—	—	—	67,327	86,529
Total expenses	<u>30,726,145</u>	<u>26,623,237</u>	<u>1,464,544</u>	<u>1,483,837</u>	<u>(1,413,306)</u>	<u>(1,445,821)</u>	<u>30,777,383</u>	<u>26,661,253</u>
Loss from operations	(1,684,692)	(945,892)	(1,146,433)	(515,579)	1,063,046	1,113,319	(1,768,079)	(348,152)
Nonoperating (losses) gains:								
Investment (loss) return, net	1,040	918	(1,161,499)	891,749	—	—	(1,160,459)	892,667
Contributions and program support	1,413,306	1,445,821	674,365	1,104,910	(1,413,306)	(1,445,821)	674,365	1,104,910
Other nonoperating (losses) gains	(4,636)	(4,170)	2,006	(21,892)	—	—	(2,630)	(26,062)
Forgiveness of Paycheck Protection Program loan	—	2,973,589	—	—	—	—	—	2,973,589
Nonoperating (losses) gains, net	<u>1,409,710</u>	<u>4,416,158</u>	<u>(485,128)</u>	<u>1,974,767</u>	<u>(1,413,306)</u>	<u>(1,445,821)</u>	<u>(488,724)</u>	<u>4,945,104</u>
Excess of revenue, (losses) gains								
and other support over expenses	(274,982)	3,470,266	(1,631,561)	1,459,188	(350,260)	(332,502)	(2,256,803)	4,596,952
Change in net assets without donor								
restrictions of Foundation	(1,593,834)	1,289,370	—	—	1,593,834	(1,289,370)	—	—
Net transfers to affiliate	—	—	(350,260)	(332,502)	350,260	332,502	—	—
Net assets released from restrictions								
for capital purchases	—	—	387,987	162,684	—	—	387,987	162,684
Change in net assets without donor restrictions	<u>\$(1,868,816)</u>	<u>\$ 4,759,636</u>	<u>\$(1,593,834)</u>	<u>\$ 1,289,370</u>	<u>\$ 1,593,834</u>	<u>\$(1,289,370)</u>	<u>\$(1,868,816)</u>	<u>\$ 4,759,636</u>

CARLOS G. OTIS HEALTH CARE CENTER, INC.
(Parent Company Only)

SCHEDULES OF OPERATING INCOME (LOSS)

Years Ended September 30, 2022 and 2021

	2022				2021			
	Grace Cottage Hospital	Messenger Valley Pharmacy	Grace Cottage Family Health	Total	Grace Cottage Hospital	Messenger Valley Pharmacy	Grace Cottage Family Health	Total
Patient service revenue	\$19,405,526	\$ (52,676)	\$4,423,738	\$ —	\$16,724,264	\$ (43,208)	\$3,902,508	\$ —
Other revenue	<u>1,505,874</u>	<u>3,409,835</u>	<u>326,063</u>	<u>23,093</u>	<u>2,260,788</u>	<u>2,557,634</u>	<u>270,109</u>	<u>5,250</u>
Total revenues without donor restrictions and other support	20,911,400	3,357,159	4,749,801	23,093	18,985,052	2,514,426	4,172,617	5,250
Expenses:								
Salaries and benefits	14,569,056	879,048	4,488,811	—	13,158,377	741,888	4,219,834	—
Supplies and other and state provider taxes	6,803,658	2,698,898	308,564	6,936	5,304,461	2,040,026	261,267	11,878
Depreciation and amortization	873,549	29,932	366	—	768,153	30,458	366	—
Interest	<u>—</u>	<u>—</u>	<u>—</u>	<u>67,327</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>86,529</u>
Total expenses	<u>22,246,263</u>	<u>3,607,878</u>	<u>4,797,741</u>	<u>74,263</u>	<u>19,230,991</u>	<u>2,812,372</u>	<u>4,481,467</u>	<u>98,407</u>
Loss from operations	<u>\$ (1,334,863)</u>	<u>\$ (250,719)</u>	<u>\$ (47,940)</u>	<u>\$ (51,170)</u>	<u>\$ (245,939)</u>	<u>\$ (297,946)</u>	<u>\$ (308,850)</u>	<u>\$ (93,157)</u>
								<u>\$ (945,892)</u>

2021 Community Health Needs Assessment: Implementation Plan



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Introduction

This Grace Cottage Implementation Plan is based on the 2021 Community Health Needs Assessment (CHNA) report, which presents the findings of a comprehensive assessment of healthcare needs for residents of Windham County and the Grace Cottage Family Health & Hospital service area. That report identified significant health needs (SHNs) in our community and outlined priorities that the Grace Cottage medical providers and leadership team have chosen based on an analysis of these findings.

This Grace Cottage Family Health & Hospital Implementation Plan outlines goals, actions and resources that will be employed to address these priority needs.

Grace Cottage first began conducting assessments of the healthcare needs of the community in 2004. Grace Cottage's 2021 CHNA and its 2021 Implementation Plan both comply with IRS Regulations promulgated under the Patient Protection and Affordable Care Act. By law, the CHNA and the accompanying Implementation Plan are required to be conducted every three years.

Grace Cottage Family Health & Hospital's 2021 CHNA was approved by the Grace Cottage Board of Trustees at its July 16, 2021, meeting.

This associated Grace Cottage Family Health & Hospital CHNA Implementation Plan was approved by the Board of Trustees at its November 19, 2021, meeting.

Both the CHNA and the Implementation Plan are available to the public on the Grace Cottage website: www.gracecottage.org

A thank you to our partners

As in 2012, 2015, and 2018, Grace Cottage's current CHNA was developed in partnership with the two other Windham County, Vermont, hospitals -- Brattleboro Memorial Hospital and the Brattleboro Retreat. We would like to thank these two partners for working with us to conduct the 2021 Community Health Needs Assessment survey and to report on its findings.

While the population health data and resident survey results included in Grace Cottage's 2021 CHNA were prepared in collaboration with the institutions listed above, each of the three hospitals has established its own priorities and implementation strategies.

We would also like to thank all of the community partners who provided input into the 2021 Community Health Needs Assessment. In particular, we offer our thanks to the Brattleboro District Office of the Vermont Department of Health and the local office of the Vermont Agency of Human Services, who actively assisted in this project. We thank them for their generous sharing of statistical data, insight, and support.

Executive Summary

Assessing Community Health Needs

In order to establish the Significant Health Needs facing the Grace Cottage Family Health & Hospital service area, Grace Cottage conducted a collaborative Community Health Needs Assessment (CHNA) in partnership with Brattleboro Memorial Hospital, the Brattleboro Retreat, a representative of the Vermont Department of Health, and a representative of the Vermont Agency of Human Services. The CHNA Steering Committee met from October 2020 through June 2021.

Sources of Data

Grace Cottage Family Health & Hospital conducted a collaborative Community Health Needs Assessment in partnership with Brattleboro Memorial Hospital, the Brattleboro Retreat, and the Vermont Department of Health. The Windham County CHNA Steering Committee formed and began meeting in October 2020. The group met at least monthly over the next ten months. The 2021 CHNA Steering Committee made significant efforts to assure that the needs and concerns of all segments of the Windham County population were heard.

The data collection process took place from January through June 2021. CHNA surveys were available from mid-March to mid-May 2021. The largest portion of the surveys were completed by residents attending COVID-19 vaccination clinics at Grace Cottage and Brattleboro Memorial Hospital. Windham County social service agencies, including Groundworks Collective, which serves housing-insecure clients, also helped to distribute surveys to their clients. Additionally, surveys were distributed via social media. A total of 2,194 people completed the 2021 CHNA community survey, a 74.5% increase over the 2018 survey. The vast majority of these respondents are Windham County residents.

The CHNA report contains four primary sources of information:

- Demographic, geographic, economic, and population health data gathered on Windham County residents from a variety of sources, mostly accessed through the Vermont Department of Health's online databank
- Community Health Needs Assessment Survey results
- Completed questionnaires submitted by nine social service agencies and non-profit groups representing unique populations of Windham County residents (potentially medically underserved)
- Group discussion and clinical experience of Grace Cottage healthcare providers and leadership

Note: since Grace Cottage did not receive any written comments regarding its 2018 CHNA Report or Implementation Plan, this was not part of the information collected.

Process for Establishing Grace Cottage's Priorities

The Significant Health Needs (SHN) identified by the CHNA Survey and the other data described above were the basis for establishing Grace Cottage's priorities for the next three years.

On June 9, 2021, the Grace Cottage Senior Leadership Team, together with the Medical Executive Committee, reviewed and discussed the Windham County disease and demographic data that appears in the 2021 CHNA, comparing it to their clinical experience with patients.

The group also reviewed the results of the 2021 CHNA community survey. According to respondents, the top ten health concerns of the community are as follows:

Health Issues & Conditions:

- Arthritis
- Basic Needs (housing, food access, income)
- Cancer (all kinds)
- Healthy Aging
- High Blood Pressure (hypertension)
- Mental Health (anxiety, depression, stress, etc.)
- Physical Fitness
- Social isolation
- Substance Use
- Weight Management/Obesity

Top Barriers to Achieving Good Health:

- Financial Constraints
- Shame (cited as top barrier to seeking help for addiction)
- Time Constraints (many respondents said they are “too busy” to exercise)
- Transportation Limitations

Grace Cottage’s Leadership and Medical Executive Committee reviewed these lists and then ranked the Significant Health Needs using the following criteria, in order to maximize the hospital’s ability to meaningfully impact these significant and complex health needs within a reasonable time frame:

- The importance placed by the community on the need
- The severity or urgency of the Significant Health Needs (SHN)
- Alignment with Grace Cottage’s strengths and established priorities
- The ability of Grace Cottage to impact the SHN within a reasonable timeframe
- The feasibility and effectiveness of possible intervention
- The ability to measure outcomes
- The availability of other resources to address the SHN
- The financial resources and human resources required
- Health disparities associated with the need (e.g. race/ethnicity, gender)
- Whether addressing this SHN will have a positive impact on other identified SHNs

The chart below shows Grace Cottage’s ranked priorities, our focus of services for the next three years.

Level 1 Priorities:
• Mental Health Issues (anxiety, depression, social isolation, stress)
• Substance Use Disorder
• Nutritional Fitness/Diabetes
Level 2 Priorities:
• Healthy Aging
• High Blood Pressure (Hypertension)
• Cancer (especially Colon Cancer)
Level 3 Priorities:
• Arthritis
• Basic Needs (housing, food access, income)
• Physical Fitness

Three-Year Implementation Plan

Grace Cottage's Leadership Team and Medical Executive Committee met on June 9, 2021, to establish their priorities for the next three years. Subsequently, this strategic Implementation Plan was developed to address the Level 1 and Level 2 Priorities they had established.

For each Level 1 and Level 2 priority listed on the previous page, this Implementation Plan describes Grace Cottage's goals and objectives. It also includes what actions are planned and what resources will be committed to meet these goals and objectives, and the anticipated impacts. This plan has the support of Grace Cottage's Board of Trustees, its administrative team, its medical providers, and its employees.

We will report on the progress of our efforts to address these Level 1 and level 2 Priorities on an annual basis. As required by law, the Implementation Plan and an annual update will be posted on our website.

We have not prepared formal strategies for tackling the Level 3 Priorities noted above. Arthritis is already being addressed when warranted, as part of our primary care services. Assistance with basic needs such as housing, food, utilities, health insurance access, and reduced-fee or free healthcare at Grace Cottage is already being offered by Grace Cottage's Resource Advocate. Physical fitness is discussed during primary care visits, and whenever the pandemic situation improves enough to allow it, fitness classes will resume in the Grace Cottage Community Wellness Center. No new programs are planned for any of these issues.

This Implementation Plan meets the requirements of the Patient Protection and Affordable Care Act and corresponding IRS regulations.

In addition, it is important to note that this plan does not include everything we do at Grace Cottage Family Health & Hospital to enhance the health of our community. Grace Cottage will continue, as always, to work to meet the health needs of its community now and in the future. Helping people is woven into the culture of this rural mountainous region, and serving the needs of the community is the fundamental value for Grace Cottage Family Health & Hospital.

We will address all community health needs, and every individual's unique health needs, within the context of our mission and clinical strengths and will do our best to achieve significant positive results.

Level One Priorities:

- **Mental Health Issues (Anxiety, Depression, Social Isolation, Stress)**
- **Substance Use Disorder**
- **Nutritional Fitness/Diabetes**

Mental Health Issues (Anxiety, Depression, Social Isolation, Stress)

Problem Statement:

Clearly, mental health concerns affect a wide range of Windham County residents. Anxiety, depression, and mental health issues in general were the top three health concerns for the 2,194 people who completed the 2021 CHNA community survey, and stress ranked fifth.

Mental health illnesses are often hidden, but they have a significant impact on health in general.

The Vermont Department of Health has found that approximately 20% of Vermonters have been diagnosed with a depressive disorder at some time in their lives, compared with 18% of all U.S. adults. Windham County adults have the highest rate of depression of all Vermont counties (28%),¹ and Windham County's rate of suicide has been higher than the state's rate for several years.² The percentage of high school-aged teens who have made a suicide plan is also higher in Windham County than the statewide percentage.³

All mental health issues can lead to chronic disease and decreased quality of life. Mood disorders can affect one's ability to sleep, eat, work, play, and socialize. Stress, anxiety, and depression are contributing factors that, when untreated, can lead to suicide. COVID-19 has increased greatly the sense of social isolation, another factor that affects mental health.

Goals:

- To identify patients who are clinically depressed and offer them referrals for appropriate services
- To improve symptoms for all patients with depression
- To improve the quality of life for all patients with mental health challenges
- To increase access to necessary services for all patients with mental health challenges

Objective:

- Identify Grace Cottage patients age 12 and older who have a clinical depression diagnosis
- For those who have not had follow-up care for their mental health issues, offer referrals to counseling, follow-up clinical appointments, and/or for medical treatment, as appropriate

Actions/Resources:

- Mental health services are embedded into Grace Cottage Family Health & Hospital's primary care practice. We employ a Psychiatric Mental Health Nurse Practitioner (PMHNP) and two Licensed Independent Clinical Social Workers to provide medication management and counseling. A Registered Nurse is assigned to these providers to assist with mental health services and referrals.
- Adult patients and children age 12 and older are screened annually for depression and other mental health issues using the Patient Health Questionnaire 2 (PHQ2) mental health screening test.
- For patients whose PHQ2 test score is positive for depression, an RN calls to schedule an appointment to administer the PHQ9 screening test to establish the level of severity of depression.
- Clinical intervention and counseling are offered for patients whose PHQ9 test score suggests the patient is struggling with depression.

¹ https://www.healthvermont.gov/sites/default/files/documents/pdf/HSVR_2018_BRFSSReport.pdf

² https://www.healthvermont.gov/sites/default/files/documents/pdf/HV2020_WindhamCounty.pdf

³ https://www.healthvermont.gov/sites/default/files/documents/pdf/HSVR_YRBS_WINDHAM_2019.pdf

- The PMHNP completes consultations for inpatients and Emergency Room patients when appropriate.
- Patients who are suicidal are evaluated in the hospital Emergency Department and by Vermont's Health Care and Rehabilitative Services (HCRS) when necessary for definitive disposition and care.
- In order to increase accessibility of mental health services, Grace Cottage is actively recruiting a second PMHNP to add to our mental health team.
- The Grace Cottage RN Care Coordinator has conducted a monthly Alzheimer's Support Group to provide emotional support and to talk about the stresses of being a caregiver. This support group, suspended in March 2020 due to pandemic precautions, will restart when it is safe to do so.

Anticipated Impact:

- Increased rate of referrals and primary care provider follow-up appointments for patients with a mental health disorder diagnosis.

Any Planned Collaboration with Other Facilities:

- Grace Cottage alerts the Health Care and Rehabilitative Services (HCRS) Crisis Team about patients who are suicidal.
- Grace Cottage providers may refer any seriously depressed, non-suicidal patient for inpatient treatment and/or to an outpatient treatment program outside of Grace Cottage, as appropriate.

Substance Use Disorder

Problem Statement:

People use and misuse alcohol, tobacco and other drugs for many reasons: to relieve physical or psychological pain, to counter stress, to forget about traumatic experiences, or to mask feelings of hopelessness. Prioritizing future health over immediate needs is especially difficult in the face of multiple daily stressors and pervasive marketing that can make it seem as if alcohol or drugs will make life easier.

Substance use disorder is not a choice or a moral failing. Some people are genetically prone to substance use disorder. As a chronic illness, substance use disorder may become a physiological and psychological need. Quitting or seeking treatment is never easy, and relapse is common. The feelings of isolation that may come from avoiding friends or situations that trigger the desire to smoke, drink, or take illicit drugs can add to the challenge, but many people do find a path to recovery.

Respondents in the 2021 CHNA survey listed drug use in general as the second highest health concern for their community; alcoholism was ranked fifth, and opiate use was ranked seventh.

A few local statistics for the use of alcohol, tobacco, marijuana/cannabis, and opiates are provided here. The 2021 CHNA provides more details.

Alcohol:

National data shows that Vermonters of all ages drink more often and more in one sitting, compared to the country overall. Alcohol use among all Vermonters has decreased since 2011 but remains higher than among U.S. adults. An estimated 7% Vermonters are in need of, but have not sought treatment for, alcohol use disorder.⁴ Alcohol use among all Vermonters has decreased since 2011, but remains higher than among all U.S. adults. Binge drinking is a particular concern. According to recent surveys, among Windham County residents, 16% of high school students, 18% of young adults (age 18-24), and 29% of adults age 65+ engaged in binge drinking at least once during the 30 days prior to the survey⁵.

⁴ http://www.healthvermont.gov/sites/default/files/documents/pdf/HV2020_WindhamCounty.pdf

⁵ <http://www.healthvermont.gov/ia/BRFSS/Preventative%20Behaviors%20County/atlas.html>;

https://www.healthvermont.gov/sites/default/files/documents/pdf/HSVR_YRBS_WINDHAM_2019.pdf

Tobacco:

Teenage cigarette smoking among Vermonters and Windham County residents has declined over the past several years, but smoking among adults has increased. Windham County rates for adult smoking are higher than the Vermont rates (23% compared to 17%). The rate of teens who smoke cigarettes has declined slightly in recent years, but the use of e-cigarettes has increased dramatically.

Marijuana (Cannabis):

National data shows more Vermonters ages 12 and up are using cannabis compared to the country overall. Complicating the situation in Vermont is the fact that the Vermont Legislature has recently legalized the use of cannabis, making it even easier to obtain and use without need for secrecy. The number of Vermonters who try cannabis for the first time between the ages of 12 and 17 is higher than in the country overall.⁶

Opioids:

Opioid use is a great concern, nationwide, in Vermont and in Windham County. Vermont drug overdose deaths involving opioids totaled 127 in 2018 (a rate of 22.8) and have remained steady since 2016. Deaths involving synthetic opioids other than methadone (mainly fentanyl and fentanyl analogs) have trended up in recent years. Heroin-involved deaths are also rising. Deaths due to misuse of prescription opioids have remained steady.⁷ Opioid use disorder is a lifelong chronic illness. As with other chronic diseases, treating and managing a person's substance use disorder requires a multifaceted approach.

Goals:

- Reduce Grace Cottage patients' reliance on tobacco products
- Reduce Grace Cottage patients' reliance on illegal or other illicit substances

Objectives:

- Identify Grace Cottage patients who use tobacco products and increase the percentage who are referred to 802QUITS, the Vermont Department of Health's resource for tobacco cessation
- For patients who use tobacco products and want medication assistance to help with cessation, provide referrals to a primary care provider who can prescribe the appropriate medication
- Identify Grace Cottage patients with substance use disorder and offer them referrals for treatment

Actions/Resources:

- Grace Cottage employs three Medication Assisted Treatment (MAT) credentialed providers—two Physicians and a Physician Assistant. These Grace Cottage staff members oversee Grace Cottage's "Spoke" practice, part of the outpatient, office-based suboxone treatment service funded by through the Vermont Department of Health. Grace Cottage also has two dedicated Spoke RNs who provide support for these Spoke practitioners, with services embedded into the Grace Cottage family practice setting. Evidence-based treatment and a team-care approach are utilized to provide the most appropriate care for each patient.
- Maintain the credentials for providers and the MAT services currently offered at Grace Cottage
- Offer referrals to MAT, when appropriate, for patients who admit to substance use disorder
- Offer referrals to addiction support groups for patients who could benefit from these
- Offer referrals to 802QUITS and/or clinical treatment for patients who use tobacco
- Grace Cottage will continue to be a distribution site for free Narcan when it is needed to save a life in the case of an overdose.

⁶ <https://www.healthvermont.gov/alcohol-drug-abuse/alcohol-drugs/marijuana>

⁷ [https://www.drugabuse.gov/drug-topics/opioids/opioid-summaries-by-state/vermont-opioid-involved-deaths-related-harms#:~:text=In%20Vermont%2C%20drug%20overdose%20deaths,in%202018%20\(Figure%201\).](https://www.drugabuse.gov/drug-topics/opioids/opioid-summaries-by-state/vermont-opioid-involved-deaths-related-harms#:~:text=In%20Vermont%2C%20drug%20overdose%20deaths,in%202018%20(Figure%201).)

Anticipated Impact:

- Patients in need will be referred to counseling and/or treatment programs, including MAT, for substance use.
- Improved quality of life and access to available services for those who are managing their addictions

Any Planned Collaboration with Other Facilities:

Grace Cottage's Spoke program works collaboratively with the Brattleboro Retreat, Brattleboro Memorial Hospital, and the Vermont Department of Health's Blueprint for Health program managers to oversee and provide the best care for patients working to recover through the MAT program. Vermont's Department of Health Care and Rehabilitation Services (HCRS) also provides services at Grace Cottage's Hospital and Family Health Clinic for crisis intervention, when needed. In addition, Grace Cottage is actively involved in the grant-supported Windham County Consortium on Substance Use (COSU), working to expand services throughout the county. Grace Cottage also collaborates with other addiction support and treatment organizations by referring patients with active addictions to 802QUITS, Alcoholics Anonymous, behavioral counselors, to other support groups and services as appropriate, or to the Retreat for inpatient services, or HCRS for suicidal patients.

Nutritional Fitness/Diabetes

Problem Statement:

Grace Cottage Family Health & Hospital sees patients who reside throughout Windham County, Vermont, and beyond, and increasingly, diabetes is a medical issue for these patients. Approximately 9% of Vermonters, and 9% of Windham County residents have diabetes.⁸ Diabetes prevalence among Vermonters has crept up steadily over the past decade, from 6% in 2009, to 8% in 2013, to 9% today.⁹

Diabetes is a chronic disease that disrupts blood sugar levels. Uncontrolled blood sugar can lead to diseases in other parts of the body. Over time, build-up of glucose in the blood can damage eyes, kidneys, nerves, or the heart, leading to serious health complications.¹⁰ Uncontrolled diabetes causes 2-3% of deaths in Vermont (12,000-18,000 deaths).¹¹ It is a leading cause of preventable death among Vermonters.¹²

Prediabetes, a condition that can lead to diabetes, is often undiagnosed. It has been estimated that one in three adults over the age of 18, and half of adults over the age of 65, have prediabetes, and as many as 90% of these may be undiagnosed.¹³

Prediabetes can cause health problems even before diabetes develops, including early kinds of kidney disease, nerve damage and small blood vessel damage in organs such as the eyes. Without lifestyle changes, an estimated 30% of those with prediabetes will develop Type 2 diabetes within five years.¹⁴

For those who already have Type 2 diabetes, lifestyle changes can also have a big impact on how well the disease is managed.¹⁵

Goals:

- Affect a steady decline of the percentage of adult patients with prediabetes

⁸ <https://www.healthvermont.gov/wellness/diabetes/diabetes-vermont-data-and-facts>

⁹ https://www.healthvermont.gov/sites/default/files/documents/pdf/HSVR_2018_BRFSSReport.pdf

¹⁰ https://www.healthvermont.gov/sites/default/files/documents/pdf/HS_1305_Data_Pages_081816.pdf

¹¹ https://www.healthvermont.gov/sites/default/files/documents/pdf/hpdp_3-4_50_County%20Data%20Brief%20Windham_070519.pdf

¹² <https://www.cdc.gov/nchs/pressroom/states/vermont/vt.htm>

¹³ https://www.healthvermont.gov/sites/default/files/documents/2016/12/data_brief_20165_diabprev.pdf

¹⁴ https://www.healthvermont.gov/sites/default/files/documents/pdf/3-4-50_Diabetes_%20Data%20Brief_FINALapproved_forWEB.pdf

¹⁵ https://www.healthvermont.gov/sites/default/files/documents/pdf/HS_1305_Data_Pages_081816.pdf

- Increase the percentage of adult patients with Type 2 diabetes who are receiving formal diabetes education and support services

Objectives:

- Identify Grace Cottage patients with a diagnosis of Type 2 diabetes or prediabetes who have not had an A1C test in the previous six months
- Increase the percentage of patients with Type 2 diabetes or prediabetes who receive follow-up clinical support and are offered a referral to diabetes education services

Actions/Resources:

- Grace Cottage Family Health & Hospital is very involved in helping to promote healthy nutrition and access to health foods. This includes:
 - partnering with the Vermont Foodbank's VeggieVanGo program to distribute nutritious food, especially fresh produce, to the community. There are no eligibility requirements, and food is provided at no cost to recipients. Grace Cottage employees assist with this monthly food distribution, and our Community Health Team members deliver food boxes to homebound patients to ensure they have healthy food options.
 - Grace Cottage organizes food drives among employees to collect food for the local food shelf in order to assist with food disparities and to promote health eating habits.
 - Grace Cottage has a designated employee who works monthly with the local food pantry.
- Grace Cottage Family Health patients receive a BMI measurement during annual physicals.
- Patients with a Type 2 diabetes diagnosis will be prompted to get an A1C blood test at least once every year. An elevated A1C means the disease is not well managed and the patient has an increased risk for complications.
- For patients with a Type 2 diabetes diagnosis who have not had an A1C test in six months, clinic staff will reach out to schedule an appointment with a primary care provider.
- Patients with either a prediabetes or Type 2 diabetes diagnosis will be referred to the Grace Cottage Community Health Team's Diabetes Educator for education, health coaching, and support. When appropriate, they will be encouraged to lose weight and increase activity level.
- A "Healthy Aging for Women" support group has been led by the Grace Cottage Diabetes Educator, with discussion topics including healthy lifestyles and prevention and symptoms of prediabetes and diabetes. Suspended due to pandemic precautions, this program will restart when it is safe to do so.
- The Community Health Team members provide nutritional and weight loss management counseling as a free service.

Anticipated Impact:

- Lowering of A1C levels in prediabetic and diabetic patients
- Improved health, quality of life, and access to necessary services for prediabetic and diabetic patients
- Decrease the incidence of Type 2 diabetes among Grace Cottage patients by focusing more attention on prediabetic patients
- Improve the overall health of patients with Type 2 diabetes by controlling the diabetes and monitoring the patients for any co-morbidities

Any Planned Collaboration with Other Facilities:

The Grace Cottage Diabetes Educator collaborates with Grace Cottage providers and the Grace Cottage Community Health Team RN Care Coordinator. Collaboration with providers at other facilities occurs as necessary, for example, when prediabetic or diabetic patients receive referrals for specialty services provided elsewhere. Grace Cottage also continues to explore partnerships with area organizations regarding community wellness.

Level Two Priorities

- **Healthy Aging**
- **High Blood Pressure (Hypertension)**
- **Cancer (especially Colon Cancer)**

Healthy Aging

Problem Statement:

The 2018 Community Assessment report from the social services organization Southeastern Vermont Community Action stated that, “Vermont’s most notable demographic trend is the aging of its population.”¹⁶ Statistics bear that out. At the time of the 2010 U.S. Census, 14.6% of Vermont’s population was age 65+, and Windham County’s was 22%. The 2019 U.S. Census’s American Community Survey showed Vermont at 20% (an increase of 5.4%) and Windham County at 23.9% (a 1.9% increase).¹⁷

Windham County, VT, ranks in the highest median-age bracket of all U.S. counties.¹⁸ Among all states, Vermont ranks third, following Maine and New Hampshire, as the state with the highest median age in the country (Maine = 45.0; New Hampshire = 43.1; Vermont = 43.0).¹⁹

As Vermont’s population ages, the demands on its health care system also will increase.

Goals:

- To provide the best possible care for older adults and promote healthy aging

Objectives:

- Utilize evidence-based practices across the 4Ms (What Matters, Medication, and Mentation, and Mobility) within the primary practice and the hospital
- Actions/Resources:
- Continued efforts to retain Grace Cottage Family Health’s certification as an “Age-Friendly Health System” by the Institute for Healthcare Improvement
- Use the evidence-based practices of the 4Ms to deliver high quality care to aging patients and promote health aging
- Promote healthy living lifestyle, offer and refer patients to wellness classes and support groups
- Utilize the Community Health Team staff to assist patients with chronic care management and provide education to patients to achieve the best outcomes for older adults
- A “Healthy Aging for Women” support group has been led by the Grace Cottage Diabetes Educator, with discussion topics aimed specifically at older adults. Discussion topics have included healthy lifestyles, prediabetes and diabetes. Suspended due to pandemic precautions, this program will restart when it is safe to do so.

Actions/Resources:

- Continued efforts to retain Grace Cottage Family Health’s certification as an “Age-Friendly Health System” by the Institute for Healthcare Improvement
- Use the evidence-based practices of the 4Ms to deliver high-quality care to aging patients and promote health aging
- Promote healthy living lifestyle, offer and refer patients to wellness classes and support groups

¹⁶ https://www.sevca.org/images/pdf/Community_Assessment_2018-with_Attachments.pdf, p. 12

¹⁷ <https://data.census.gov/cedsci/table?q=2010%20vermont&tid=ACST1Y2010.S0101>;

¹⁸ <https://www.census.gov/library/visualizations/2018/comm/youngest-oldest-counties.html>

¹⁹ http://www.statsamerica.org/sip/rank_list.aspx?rank_label=pop46&ct=S09

- Utilize the Community Health Team staff to assist patients with chronic care management and provide education to patients to achieve the best outcomes for older adults
- A “Healthy Aging for Women” support group has been led by the Grace Cottage Diabetes Educator, with discussion topics aimed specifically at older adults. Discussion topics have included healthy lifestyles, prediabetes and diabetes. Suspended due to pandemic precautions, this program will restart when it is safe to do so.

Anticipated Impacts:

- Identify what is important to elderly patients and avoid unnecessary testing and treatments
- Reduce falls and injuries related to falls
- Increase social interaction by maintaining active lifestyle
- Reduce medication and related side effects in the elderly
- Reduce social isolation and related depression
- Reduce stress on caregivers and community by identifying dementia earlier and providing support

High Blood Pressure (Hypertension)

Problem Statement:

Per the U.S. Centers for Disease Control (CDC), hypertension, also known as high blood pressure, is a major risk factor for heart disease and stroke, both of which are leading causes of death in the US. Nearly one-third of all American adults have high blood pressure and more than half of them don’t have it under control.

High blood pressure is a common contributing factor to Cardiovascular Disease (CVD), a broad category that includes several types of heart conditions, notably coronary heart disease, heart attack and strokes. Eight percent of Vermonters have been diagnosed with CVD, approximately 39,500 adults.²⁰ Often called “heart disease,” CVD is the second leading cause of death among Vermonters, after cancer. Two other diseases associated with heart disease -- stroke and hypertension (high blood pressure) – rank sixth and ninth respectively as leading causes of death.²¹ In 2018, 1,335 Vermonters died of heart disease.²² Windham County’s rate of deaths due to heart disease (98.8 per 100,000 people) was slightly better than Vermont’s rate (105.4 deaths per 100,000).²³

More than 50% of Vermonters have at least one key risk factors for CVD: high blood pressure (hypertension), high cholesterol, or a habit of smoking. Other health conditions and behaviors that can lead to CVD are diabetes, being overweight or obese, poor diet, physical inactivity, and excessive alcohol use.²⁴

Goals:

- Early diagnosis of hypertension in patients
- Provide effective care and management for patients diagnosed with hypertension to keep their blood pressure under control

Objectives:

- Prevention of strokes
- Prevention of heart attacks

²⁰ https://www.healthvermont.gov/sites/default/files/documents/pdf/HS_1305_Data_Pages_081816.pdf

²¹ <https://www.cdc.gov/nchs/pressroom/states/vermont/vt.htm>

²² <https://www.healthvermont.gov/sites/default/files/documents/pdf/Vital%20Statistics%20Bulletin%202018.pdf>

²³ https://www.healthvermont.gov/sites/default/files/documents/pdf/HV2020_WindhamCounty.pdf

²⁴ https://www.healthvermont.gov/sites/default/files/documents/pdf/HS_1305_Data_Pages_081816.pdf

Actions/Resources:

- Grace Cottage Family Health staff will continue to complete an outreach effort to primary care patients with a diagnosis of hypertension who have not been seen in a year to recommend that they come in for an appointment to see their primary care provider.
- Grace Cottage will continue to complete high blood pressuring screenings at office visits to diagnose and provide appropriate treatment of hypertension.

Anticipated Impacts:

- Increase the number of people in our service area who are regularly screened for hypertension.
- Provide treatment of hypertension through both lifestyle changes and appropriate medications to those who need them, thereby preventing strokes and heart disease.
- Improve the overall health of patients with hypertension by controlling the blood pressure and monitoring the patients for any co-morbidities.

Cancer (especially Colon Cancer)

Problem Statement:

Cancer is not a single disease, but a group of more than 100 different diseases that often develop gradually as the result of a complex mix of lifestyle, environment, and genetic factors. Certain behaviors put people at a higher risk for certain cancers. Nearly two-thirds of cancer deaths in the U.S. can be linked to tobacco use, poor diet, obesity, and lack of exercise.²⁵

Cancer affects thousands of Vermonters and is now the leading cause of death.²⁶ Each year, approximately 3,700 Vermonters are diagnosed and 1,400 of them die.²⁷ Cancer prevalence among Vermont adults has remained relatively consistent since 2011.²⁸

Five types of cancer make up the majority of new cancer diagnoses or cancer-related deaths. The leading cancer types differ for male and female bodies.²⁹ For females, the incidence of cancers of the breast, lungs/bronchus uterus, bladder, and skin are higher in Vermont than the U.S. overall. For males, incidence of cancers of the skin, bladder, esophagus, and non-Hodgkins lymphoma are higher in Vermont than in the U.S.³⁰

The good news is that cancer is often survivable. Early detection is important, so cancer screenings are very important. Windham County's rate of colorectal cancer screenings (fecal occult blood screening and colonoscopy, adults 50-75) is slightly better than Vermont's,³¹ but the county's rate of advanced colorectal cancer (70.7 cases per 100,000) is much higher than Vermont's (60.6).³² When detected early 90% of colorectal cancer is curable.

Goals:

- Early detection of cancer with a particular focus on colorectal cancer

²⁵ https://www.healthvermont.gov/sites/default/files/documents/pdf/HSVR_2018_BRFSSReport.pdf; <https://www.healthvermont.gov/wellness/cancer>

²⁶ <https://www.cdc.gov/nchs/pressroom/states/vermont/vt.htm>

²⁷ https://www.healthvermont.gov/sites/default/files/documents/pdf/stat_cancer_Windham.pdf

²⁸ https://www.healthvermont.gov/sites/default/files/documents/pdf/HSVR_2018_BRFSSReport.pdf; <https://www.healthvermont.gov/wellness/cancer>

²⁹ https://www.healthvermont.gov/sites/default/files/documents/pdf/stat_CancerDataPagesPDF.pdf

³⁰ https://www.healthvermont.gov/sites/default/files/documents/pdf/HSVR_2018_BRFSSReport.pdf

³¹ Ibid.

³² https://www.healthvermont.gov/sites/default/files/documents/pdf/stat_cancer_Windham.pdf

Objectives:

- Increase the number of colorectal screenings for the targeted population (primary care patients ages 50-75 years), using the U.S. Prevention Task Force recommendations

Actions/Resources:

- An outreach letter composed by the Medical Director has been sent via email in a two-stage outreach to the targeted age group. Over 1,500 outreach letters were mailed. This letter stressed the importance of early detection of colorectal cancer and explained the three screening options (High-sensitivity gFOBT stool test, sDNA-FIT stool test, and colonoscopy). Follow-up will be provided.

Anticipated Impacts:

- Increase the number of people in our service area who are regularly screened for colorectal cancer.
- Reduction in local rates of morbidity due to cancer, especially colorectal cancer

Why Level 3 Priorities Are Not Specifically Addressed by This Implementation Plan

- **Arthritis**
- **Basic Needs (housing, food access, income)**
- **Physical Fitness**

Many of the Significant Health Needs (SHNs) identified in the 2021 Grace Cottage Community Health Needs Assessment are issues of long-standing concern to the community and to Grace Cottage providers. Accordingly, programs are already in place at Grace Cottage and elsewhere to address these SHNs.

We will not prepare formal strategies for tackling the Level 3 Priorities listed above for the following reasons:

- Grace Cottage's Outpatient Rehabilitative Services already provides physical and occupational therapy for those dealing with arthritis. This will continue, and we do not plan to add other arthritis programs.
- Grace Cottage's Community Health Team members (RN Care Coordinator, Diabetes Educator, and Resource Advocate) provide information and help patients access basic needs assistance programs. As stated above, Grace Cottage Family Health & Hospital also hosts and provides volunteers for a monthly VeggieVanGo free food distribution organized by the Vermont Foodbank. In addition, Grace Cottage offers free- and reduced-fee care for those who qualify, thus helping to reduce the burden of healthcare costs for those most in need. While these efforts will continue, Grace Cottage does not have the financial or staff capacity to add new assistance programs.
- Grace Cottage's Community Wellness Center suspended its yoga, Strong Bones, and other fitness classes during the COVID-19 pandemic, but we expect to resume these classes as soon as it is safe to do so. Additional classes may be offered over the next three years, but no major program expansion is anticipated.

APPENDIX

About Grace Cottage

Grace Cottage Family Health & Hospital is an independent, non-profit community healthcare facility located in the town of Townshend, in Windham County, in southeastern Vermont.

Grace Cottage Family Health is a Federally-certified Rural Health Clinic. Its eleven practitioners provide primary care, pediatrics, geriatrics, and mental health services to more than 7,000 individual patients annually. The Community Health Team at Grace Cottage Family Health works closely with the medical providers and includes an RN Care Coordinator, an RN Diabetes Educator, and a Health Resource Advocate.

Grace Cottage Hospital is a 19-bed inpatient facility for acute and rehabilitative care. It is equipped with a 24-hour emergency department for critical care treatment, a hospice suite, and rehabilitation, laboratory and diagnostic imaging departments. Patients benefit from our hospitalist program whereby doctors serve in weekly rotations on a full-time basis, overseeing patients' care and communicating with patient and family members on matters such as lab results, changes in medication, discharge needs, and more. Outpatient rehabilitation, lab tests, and diagnostic imaging services are open to members of the public with a written doctor's order.

The Grace Cottage Hospital's Community Wellness Center offers a variety of free and low-cost classes and support groups for the public (discontinued during the 2020-21 COVID-19 pandemic).

In 2017 and in 2018, Grace Cottage was recognized as a Top 20 Critical Access Hospital in the USA for Patient Satisfaction by the National Rural Health Association. In 2021, Grace Cottage was certified as an "Age-Friendly Health System" by the Institute for Healthcare Improvement for its excellence in caring for older patients. It has won "Best Hospital" honors in the *Brattleboro Reformer* Readers' Choice awards for the past five years.



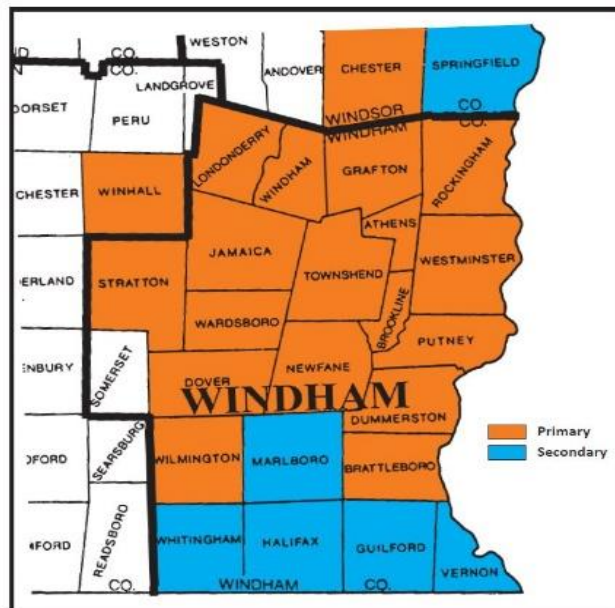
Grace Cottage Family Health & Hospital, Townshend, VT

Grace Cottage Service Area

Grace Cottage Family Health & Hospital is located on Grafton Road (Route 35) in Townshend, Vermont. Townshend is in the center of Windham County, in the southeastern corner of the state, bordered by New Hampshire and Massachusetts.

Grace Cottage identified its Primary and Secondary Service Areas by reviewing the towns of residence of our patients, and by considering the proximity of towns to Townshend. The map at right shows the towns where most of our patients live, highlighted as primary or secondary service areas. The vast majority of our patients are Windham County residents.

The results of our Community Health Needs survey, conducted in conjunction with our Brattleboro-based partners, reflect the needs of the 1,257 people who took the survey; with more than 90% of survey-takers being Windham County residents.



This Implementation Plan is based on primary health needs of Windham County residents, and on the needs identified by Grace Cottage providers among all of the patients they serve.

The Grace Cottage Service Area Town-by-Town Statistics chart provided on the following page shows town-by-town service area statistics. The numbers provided represent the total # of unique patients with at least one encounter in any Grace Cottage department Feb. 2020 thru Jan. 2021.

Chart notes:

- Percentages have been rounded to nearest tenth of a percent
- * Town of patient's mailing address (most Windham & some Jamaica residents have W. Townshend addresses; other towns also have cross-over zip codes).
- ** % too small to be significant

Population Data Sources:

- Vermont: www.census.gov/quickfacts
- New Hampshire: www.nh.gov/osi/data-center/documents/population-estimates-2019.csv
- New York City: www.census.gov/quickfacts/fact/table/newyorkcitynewyork,NY/PST045219

Grace Cottage Service Area Town-by-town Statistics

Grand Total	8428	100.0%		
	# Unique Patients *	% of Total Patients	2019 Town Population	% Town Saturation
PRIMARY SERVICE AREA	6943	82.4%		
Brattleboro	1157	13.7%	11,332	10.2%
Townshend/W Townshend	1135	13.5%	1,239	91.6%
Newfane/S Newfane	1051	12.5%	1,586	66.3%
Wardsboro/W Wardsboro	531	6.3%	834	63.7%
Jamaica	478	5.7%	1,028	46.5%
Rockingham/Saxtons River/Bellows Falls	370	4.4%	4,981	7.4%
Putney	368	4.4%	2,456	15.0%
E Dover/W Dover	336	4.0%	1,059	31.7%
Londonderry/S Londonderry	318	3.8%	1,656	19.2%
Chester	316	3.7%	3,024	10.4%
Grafton/Cambridgeport	307	3.6%	675	45.5%
Winhall/Bondville	203	2.4%	730	27.8%
Wilmington	142	1.7%	1,796	7.9%
Dummerston/W Dumm/E Dumm	64	0.7%	1,744	3.7%
Westminster	55	0.6%	2,970	1.9%
Brookline	50	0.5%	530	9.4%
Athens	42	0.4%	437	9.6%
Stratton	14	0.1%	198	7.1%
Windham	6	0.1%	396	1.5%
SECONDARY SERVICE AREA	297	3.5%		
Vernon	106	1.2%	2,196	4.8%
Springfield/N Springfield	78	0.9%	8,908	0.9%
Whitingham/Jacksonville	46	0.5%	1,277	3.6%
Marlboro	35	0.4%	1,039	3.4%
Guilford	19	0.2%	2,109	0.9%
Halifax	13	0.1%	681	1.9%
BEYOND	1197	14.2%		
New York City	82	**	8,336,817	**
Hinsdale, NH	51	0.6%	4,058	1.2%
Manchester	46	0.5%	4,224	1.0%
Weston	29	0.3%	544	5.3%
Chesterfield, NH	25	0.3%	3,705	0.6%
Keene, NH	23	0.3%	23,429	0.1%
Walpole, NH	17	0.2%	3,863	0.4%
Bennington	16	0.2%	14,964	0.1%
Peru	12	0.1%	355	3.3%
Ludlow, VT	11	0.1%	1,864	0.6%
Winchester, NH	11	0.1%	4,349	0.2%
OTHER (Less than 10 patients per town):	874	11.5%		

Grace Cottage Family Health & Hospital Contact Information

For questions or comments regarding the Community Health Needs Assessment, the Implementation Plan, or to request a hard copy, please email info@gracecottage.org or call (802) 365-9109.

An electronic version of this Implementation Plan is publicly available at www.gracecottage.org and print versions are available upon request.



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